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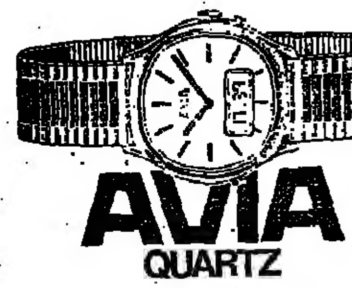


NEWS SUMMARY

GENERAL

77 held after anti-NF protest

Seventy-seven people were arrested as violence flared when 5,000 demonstrators gathered in Southall, London, to protest at a National Front meeting in the town hall.

Police were showered with smoke bombs, bottles and stones and at least 50 demonstrators commandeered and wrecked a London Transport bus.

One of the 73 demonstrators who appeared in a Leicester court following incidents during Saturday's National Front rally in the city, was fined £250.

Nuclear risks

About 10 cu yds of radioactive liquid has escaped in the Windscale nuclear installation leak and the Department of Energy says the risks of the waste material are "still very large." Back Page. Russia has admitted for the first time that it has experienced nuclear accidents. Page 2

Troubled Times

The International Graphical Federation is to ask its members to black a proposed weekly edition of The Times for overseas distribution following a request by the National Graphical Association. Page 12

'Amin in Iraq'

Ousted Ugandan dictator Idi Amin visited Iraq over the weekend in a bid to buy weapons with which to make a comeback in the north-west of his country, according to Arab diplomats in Nairobi.

Lebanon plea

Lebanese parliamentary leaders called for an emergency meeting of the United Nations Security Council to try to halt southern Lebanon violence. Six more people died during an artillery duel, according to a Christian militia spokesman.

General shot

Gunmen shot and killed General Mohammad Vali Qarani, the former head of the Iranian armed forces who was forced to resign last month. In Iranian Kurdistan clashes continued in the town of Naqadeh, where 150 people have died and 500 been injured in four days. Page 4

S. African clamp

Jail terms of up to seven years or fines of up to £4,100 for anyone publishing information about oil supplies and other strategic industries, have been introduced in South Africa. Page 4

Blow for Ecevit

Three members of Turkish Premier Bulent Ecevit's Republican People's Party resigned on the eve of a meeting to decide on an extension of martial law, possibly into the Kurdish areas they represent. Page 3

'Drugging' protest

The U.S. Embassy in Moscow protested against the apparent drugging of Briton Robin Knight, a correspondent of U.S. News and World Report, during a trip last week to Soviet Central Asia.

German bomb

The road between Epping and Woodford was closed last night as Army bomb disposal experts tackled a 2,000 lb German bomb in Epping Forest, just 200 yards from the A11.

Briefly . . .

Mrs. Muriel Hopkins, the 52-stone woman who refused hospital treatment for her problem, has died.

Mr. Victor Patrick, deputy editor of the Sunday Express, died in Malaga, Spain, after being knocked down by a taxi.

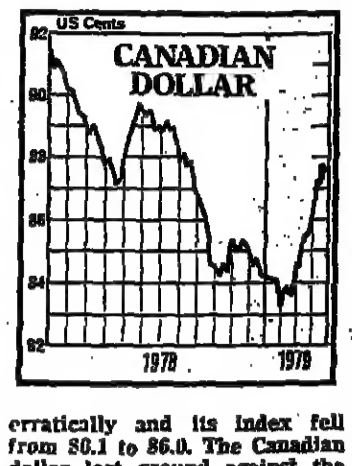
BUSINESS

Equities drift; Canadian $ down

● EQUITIES drifted as political uncertainty kept business to a low level. The FT ordinary index eased 2.7 to 536.0.

● GILTS closed mixed with the Government Securities index 0.07 up at 74.70.

● STERLING gained 10 points to $2.0685, but its trade-weighted index eased slightly to 66.9 (67.0). The dollar moved erratically and its index fell from 86.1 to 86.0. The Canadian dollar lost ground against the U.S. currency after Canadian intervention to hold down the rate, and it closed at 87.54½ U.S. cents against 87.75½ on Friday.



● GOLD rose $¼ to $236¾ in London.

● WALL STREET was 0.68 up at 857.67 just before the close.

Spending recovery

● CONSUMER SPENDING rose in the first three months of this year, in spite of bad weather and industrial disputes, according to preliminary estimates, and the volume of spending for the first quarter was only slightly below the peak recorded in the third quarter of 1978. Back Page

● TRUE RATE of growth of the money stock has been understated over the last year by the official sterling M3 indicator, according to stockbrokers W. Greenwell's monthly bulletin. Page 7

● EGYPT and the IMF are still deadlocked over the three-year $730m (£353m) loan facility agreed last summer. The disagreement, which hinges on Egypt exceeding budgetary limits set by the IMF, has prevented Egypt drawing the second and third tranches of the loan. Back Page

● BNOC made a pretax profit of £2.28m in 1978—the first profit in its three years of operation—but after writing off interest and deferred tax, there was a net loss of £3.04m. The chairman, Lord Kearton, who expects "appreciable profit in 1979," criticised the big oil companies for attacking North Sea oil taxation merely to protect the enormous profits they were making from some of the big fields. Back Page

● EXXON, the largest U.S. oil company, reports a 37 per cent rise in first quarter profits to $955m. Page 32

COMPANIES

● BL plans to improve its trading profit in 1979, the chairman, Mr. Michael Edwardes, has said in the company's report for 1978. BL's automotive products made a profit of £18m last year before the cost of exceptional manpower reductions against a loss of £5.8m, while construction equipment section lost £5.6m (£3.1m profit) and other activities made a £2.9m profit (£5.3m profit). Page 28 and Lex

● RUGBY PORTLAND Cement 1978 pre-tax profits rose 5 per cent to £14.51m on turnover 12.25 per cent ahead at £98.6m. Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 11pc 1991 (£15 pd.)	£14	+ ½
Alpine Hldgs.	120	+ 5
Bambers	275	+ 17
Barker and Dobson	18½	+ 1½
Cocksedge	100	+ 12
Doloswella	32	+ 3
European Ferries	173	+ 4
Fisons	300	+ 10
Furness Withy	252	+ 9
Gt. Portland Ests.	290	+ 8
Hardy Furnishers	66	+ 8
Home Charm	350	+ 6
Land Secs.	300	+ 6
Lee Cooper	305	+ 10
Lloyds and Scottish	132	+ 7
MEPC	184	+ 5
Parker Timber	172	+ 17
Perry (H.)	176	+ 6
Queen Street	7¾	+ 2¼
Royco	62	+ 3
Vickers	201	+ 4
Whitbread A	139	+ 3
Whittingham (W.)	87	+ 6
CRA	228	+ 8
Minorco	193	+ 7

FALLS

Clayton Son	70	− 10
Dunbee-Combex	68xd	− 10½
Gates (F. G.)	67	− 5
Hanger Invs.	68	− 7
Lesney Products	74	− 6
London Utd.	172	− 5
Revertex	57½	− 5½
Spillers	44½	− 2

Healey promises to take 1m out of income tax net

BY RICHARD EVANS AND DAVID FREUD

Mr. Denis Healey, Chancellor of the Exchequer, promised yesterday that a future Labour Government would take 1m people out of the tax net altogether by increasing income tax thresholds by a greater amount than previously expected.

His pledge, made during a two-day visit to Scotland, underlines the effectiveness of the Conservative manifesto emphasis on cuts in direct taxes, and Labour's determination to meet the danger.

The cost of the increased allowances envisaged by Mr. Healey would be about £1.65bn in a full year, £600m more than the increases in his recent caretaker Budget.

The development in Labour policy on tax cuts is significant, as this is regarded by Transport House campaign managers as one of the Tories' most effective election weapons.

Mr. Callaghan made a move last week to neutralise the tax-cutting pledges of the Conservatives by promising that a future Labour Government would consider a switch from direct to indirect taxation, and now Mr. Healey has amplified Labour plans.

When the Chancellor made his Budget speech he said that under normal conditions he would have increased allowances by more than the amount he was obliged to under the Rooker-Wise amendment to the 1977 Finance Act.

But this is the first time he has produced figures that allow a close estimate of what a Labour Budget would contain in this field.

The caretaker Budget put allowances up by 8.9 per cent, equivalent to the rise in the retail price index.

These increases go into force, backdated, in August unless modified by the incoming Chancellor's June Budget.

On the basis of Parliamentary answers in the past two years, it looks as if the increase in allowances would have to be about 14 per cent to take 1m people out of the tax net, about 5 percentage points more than in the caretaker Budget.

This would imply an increase in the single person's and wives' earnings allowance from the present £985 to about £1,120, rather than the £1,075 laid down in the caretaker Budget. Similarly, the married man's allowance would go up from £1,535 to £1,750 rather than the stated £1,675.

The overall Labour tactic is not only to move some way to match Tory promises, but to cast doubts on the ability of the Tories to cut taxes substantially while increasing public spending in certain areas such as defence and law and order, and slashing public-sector borrowing requirement.

The move on taxation is likely to be followed later in the week by Labour attempts to underline the Government's record on inflation and its ability to keep prices down, and by re-emphasising Labour's ability to work with the unions.

With the polls still showing a substantial if not impregnable Conservative lead at the start of the final complete week of

Continued on Back Page

Premier's Liberal opponent withdraws and union leaders attack, Back Page ● Other election news, Pages 10 and 11 ● Industrial policies compared, Page 24

Bundesbank warning on Euro-currency markets

BY JONATHAN CARR IN BONN

THE West German Bundesbank has warned of the dangers to international finance and free trade inherent in the provision of massive funds free of economic conditions to deficit countries via the Euro-currency markets.

In a particularly strongly-worded section of its report for 1978, released today, the Bundesbank says the Euro-markets performed a useful function in helping to recycle the Organisation of Petroleum Exporting Countries' surpluses in the first years after the oil crisis of 1973.

But it was possible to speak of a large-scale "over-recycling" in the past two years. This had enabled many countries to finance bigger deficits for longer periods than was justified by the increased oil price and the need to avoid deflationary steps at home alone.

The dangers for the international community arising from this were clear. Large-scale financing without economic conditions enabled weak balance of payments countries to delay facing their adjustment problems, which none the less would return with greater force in the end.

Still tougher corrective measures would then be needed. There was a growing danger of both financial crises and of these countries (which the Bundesbank did not name) taking refuge in trade protectionist measures.

In a separate part of its report the Bundesbank notes that last year the volume of balance of payments aid through official institutions fell markedly. Although drawings on the International Monetary Fund increased a little against 1977, this was mainly of funds to which economic conditions were not attached.

Although individual members of the Bundesbank's central council have referred to the problems of the Euromarkets before, the report—clearly approved by the entire leadership—bears a particular stamp of authority.

The close attention given to the issue contrasts markedly with the relatively brief treatment it was given in the 1977 report and seems to reflect a growing concern among West German authorities.

Last month Herr. Hans Matthoefer, the West German Finance Minister, spoke publicly of increased risks for the soundness of the fast-expanding international banking business.

He said that a future amendment to German banking law might include a provision under which banks had to consolidate the results of all their domestic and foreign activities for the benefit of supervisory authorities.

In its report the Bundesbank makes a similar suggestion, saying that improvement of the means by which the authorities can uncover and judge the risks of international bank lending is needed urgently.

Editorial comment Page 24

Unit trust repurchases top sales

BY EAMONN FINGLETON, SAVINGS CORRESPONDENT

THE VALUE of unit trust investments cashed in by the public exceeded the industry's total sales last month for the first time since 1961.

Mr. Edgar Palamountain, chairman of the Unit Trust Association, blamed the setback on distortions caused by "bed-and-breakfasting" — the technique by which investors make a paper capital gain or loss by cashing in their holding and then buying it back before the end of the financial year.

He forecast that the industry's sales in coming months will be boosted by a spectacular stock market rally which, he believes, will follow a Conservative election victory.

The industry's repurchases in March, at £59.8m, were a record and were £2.3m higher than the industry's sales total of £57.5m. The surge of repurchases follows a total of £26.2m in February and compares with £19.1m a year ago.

The latest sales figure is a rise of £18.7m, on February's total of £38.7m and is the second highest on record.

Mr. Palamountain said special transitional capital gains tax rules for unit trusts made it particularly advisable for many investors to bed-and-breakfast their holdings in the tax year 1978-79.

Mr. Palamountain said: "Publicity about the opportunity and direct mailings by unit trust groups to their investors encouraged an unprecedented level of bed-and-breakfast business last month. But it also encouraged many investors simply to cash in their holdings.

Repurchases last month were also swollen by the maturing of many unit-linked policies taken out in the 1960s.

Mr. Palamountain said the industry's sales should remain buoyant in anticipation of a Conservative election victory.

He said: "A Conservative victory would be very good for the stock market and it has not been fully taken account of in the present level of share prices.

If the index remains at its present level of around 530 until the election can see it going through 600 a few weeks afterwards, assuming the Conservatives get a workable majority."

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For latest Share Index phone 01-246 8026

Envoy may go back to Rhodesia

BY RICHARD EVANS, LOBBY EDITOR

THE Prime Minister announced yesterday that his personal envoy, Mr. Cledwyn Hughes, would return immediately to Rhodesia should Labour be re-elected. He would assess the next steps to be taken after last week's internal elections there.

Mr. Hughes, who undertook an abortive mission to Rhodesia before Christmas, would advise Mr. Callaghan on the feasibility of all-party talks on a cease-fire and internationally supervised elections under the original Anglo-U.S. proposals.

Before making the announcement Mr. Callaghan had been in touch with President Carter over the weekend, but it was emphasised that the initiative would be purely a British one.

The Prime Minister's move, follows growing signs of a divergence of attitude between the Government and Conservative leaders over the rsults of the Rhodesian internal elections.

Mr. Francis Pym, Tory foreign affairs spokesman, has made it clear that, provided they are seen to have been properly and fairly conducted, a Conservative Government would be in favour of backing the elections and the new multi-racial government.

But Mr. Callaghan remains deeply sceptical of the wisdom of doing this in view of the continuing strength of the guerrilla forces of Mr. Joshua Nkomo and Mr. Robert Mugabe.

The Tories have sent an official group of observers to Rhodesia to study the conduct of the elections, and the leader, Lord Boyd, a former Tory Colonial Secretary, will report directly to Mrs. Thatcher on his return.

Mr. Callaghan announced yesterday that it was intended that Mr. Hughes, a former chairman of the Parliamentary Labour Party who is not standing for Parliament again, should leave for Africa as soon as the general election was over. Meanwhile, discussions would take place with the parties inside and outside Rhodesia, and in the surrounding countries, to arrange his programme.

Mr. Pym, asked for his views at the Conservative Press conference, said cautiously that Rhodesia would be one of the top priorities for an incoming Conservative government but before making a judgment it would await the return of the party's observers.

Mr. Julian Amery, a former Tory Foreign Office Minister, said a Conservative government would have a cast iron case for ending sanctions and recognising the new Zimbabwe Rhodesia. The reported 64 per cent turnout in the elections had been a massive endorsement of the internal settlement and a flat repudiation of the Patriotic Front.

Mr. Smith's flawed triumph, Page 4
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Salisbury flexible

BY TONY HAWKINS IN SALISBURY

THE RHODESIAN Government is unlikely to adopt any hard and fast stance on the issue of possible all-party talks, pending the full results of last week's majority rule poll and the outcome of the British elections.

While the transitional government of Mr. Ian Smith, the Prime Minister, Bishop Abel Muzorewa, Chief Jeremiah Chirau and the Rev. Ndabaningi Sithole, is theoretically committed to all party talks "without preconditions"—as agreed in Washington last Ocober—the situation evidently has changed radically since then.

The successful Rhodesian poll, the evidence of growing Right-wing pressure on President Carter to recognise the voting an dthe possibility of there being a Conservative Government in London imply that the incoming black Prime Minister (virtually certain to be Bishop Muzorewa) may well press for outright recognition from Mrs. Thatcher next month rather than rushing into acceptance of a new constitutional conference an da second round of elections.

David Buchan writes from Washington: State Department officials said yesterday that a U.S. official would most likely accompany Mr. Cledwyn Hughes. But the Administration is making no pronouncements until the evidence is in about the conduct of the Rhodesian elections, and until it sees who wins Britain's General Election.

However, moves are likely this week in Vongress to try to force President Carter to lift trade sanctions on Rhodesia automatically 10 days after a black majority government is installed there.

Woolworth bid for Revco is turned down

By Stewart Fleming in New York

F. W. WOOLWORTH yesterday suffered a setback in its efforts to evade a $1.1bn (£529m) takeover bid from Brascan, the Canadian company, when Revco, a fast growing drugstore group, broke off merger talks with the giant retail chain.

In the wake of the announcement of the unwelcome takeover bid by Brascan, Woolworth last week disclosed that it had opened merger talks with Revco which operates over 1,000 self service discount drugstores around the U.S.

Woolworth's move was seen as a defensive manoeuvre since the acquisition of Revco would have cost it probably in excess of $400m. This figure would probably have put it out of the reach of Brascan which is already expecting to borrow some $700m if it is able to proceed with a tender offer for Woolworth.

But, with the talks with Revco ended, Woolworth faces the task of fighting off the Brascan bid on its own, unless it goes looking elsewhere for support.

Revco, in disclosing the termination of the talks with Woolworth, gave no explanation for the decision. It said that while the company has a duty to listen to any serious offers it was confident of its ability to maintain its independent growth as the country's largest chain of discount drugstores.

Brascan suffered a reverse last week when the Attorney General for New York disclosed that he intended to hold hearings under provisions of New York State company law, into Brascan's take-over proposal.

Brascan had hoped to launch a tender offer by the end of the month. Now it will have to delay that timetable since the hearings will not open until May 10.

Queen on State trip to Denmark next month

THE QUEEN will combine business with pleasure on her second State visit to Denmark next month.

The first three days of the trip from May 16 to 19 will be taken up with official engagements including a visit to Jutland. Then she and the Duke of Edinburgh will spend two days relaxing with Queen Margrethe in her country palace of Fredensborg.

£ in New York

—	April 20	Previous
Spot	$2.0730-0740	$2.0735-0745
1 month	0.27-0.22 dis	0.32-0.27 dis
3 months	0.77-0.72 dis	0.78-0.73 dis
12 months	2.10-2.00 dis	2.10-2.00 dis

French banks to fall into line on minimum reserves

BY DAVID WHITE IN PARIS

FRENCH AUTHORITIES have finalised a scheme for imposing minimum reserve requirements on banks' lending operations bringing France into line with banking practice in a number of other countries.

The proposals, which have been under discussion since the autumn, are thought to have been considerably watered down from their original version. They take into account, in particular, the low capital base of the three nationalised banks which dominate the French commercial banking sector.

M. Rene Monory, the Economy Minister, is due to steer the proposals through a meeting today of the National Credit Council, which is also expected to approve a loosening of rules governing hire purchase agreements.

M. Rene Monory

The proposals do not affect foreign banks as long as compulsory reserve rules in the country of ownership are at least as strict as the French requirements.

The reserve requirements are to be brought in over a three-year transitional period ending on June 30, 1982. They will be based on banks' estimates of the ratio between capital and lending at the beginning of this year. Banks which already have a ratio of at least 5 per cent are expected to maintain that level. Those with less are expected to increase the ratio with regard to their additional commitments during the three-year period.

The target rates for the increase in reserves relative to the increase in lending are again differentiated. Banks with reserve ratios of more than 3 but less than 5 per cent are expected to make up half the difference between the current ratio and the 5 per cent level. Those with ratios of under 3 per cent are expected to increase theirs by at least one percentage point.

Observers saw the arrangements as managing to circumvent a problem which has beset the authorities in their attempt to apply a minimum reserve scheme—the difficulty of tailoring one which would fit the big state-owned banks without calling on large quantities of fresh government funds to bolster their reserves.

The National Credit Council is also expected to discuss rules to ensure that banks spread their loan engagements.

Most of the restrictions on hire purchase are due to be dismantled from the beginning of next month — including the fixed basic-interest rate, now at 17.3 per cent, the current 21-month time limited on all goods except cars, and the minimum 20 per cent down payment — in order to stimulate competition between banks in the field of consumer credit.

Terry Dodsworth adds: Proposals for a third year of government-assisted job-creation for the young are expected to be announced today by the French Employers' Association.

The aim is to have the new system in operation to cushion the rise in youth unemployment which will follow the end of the school year this summer. Apart from the present contracts for on-the-job training of the young, the proposals are likely to envisage the creation of openings in the public sector. The total cost may be around FFr 3.5bn (£385m).

Portugal accord with IMF delayed

By Jimmy Burns in Lisbon

DESPITE INDICATIONS that Portugal and the International Monetary Fund (IMF) may be bridging their differences, a formal agreement between the two sides will not be signed for at least another month and only when and if Portugal's 1979 budget is approved by Parliament.

This emerged, much as expected, following three days of talks in Washington between the Fund and a top-level Portuguese delegation led by Dr. Jose Silva Lopes, the Governor of the Bank of Portugal.

Returning to Lisbon on Sunday night, Dr. Silva Lopes said he was "moderately optimistic about the terms of a new agreement with the IMF" but that this was dependent on the budget vote.

Although he refused to comment further, it appears that both sides are finding it difficult to conclude the negotiations with the political outlook in Lisbon still confused following the Government's first budget defeat las month.

Lisbon is hoping that the Fund eventually wil ease some of its demands for austerity and show flexibility on the target to be set for a reduction in the country's balance of payments deficit this year.

Moscow admits nuclear accidents

BY DAVID SATTER IN MOSCOW

MR. PYOTR NEPOROZHNIY, the Soviet Minister of Power and Electrification, has admitted for the first time that nuclear accidents, including an explosion and radiation leaks, have occurred in the Soviet Union.

He made the disclosure at a meeting last week with Mr. Robert Michel, one of a group of visiting U.S. Congressmen.

It has long been believed that serious nuclear accidents have occurred in the Soviet Union. There were reports of an explosion in 1973 at the new Shevchenko reactor on the Caspian Sea and an explosion in the Ural Mountains in 1958 in which hundreds were said to have been killed. No official has ever been willing to confirm this before, however.

Mr. Neporozhniy gave no information about when and where the accidents occurred, but he cited two accidents, as well as a series of fires, at unidentified stations.

Mr. Michel said on Sunday that Mr. Neporozhniy indicated that these were not serious enough to deter the Soviet Union from proceeding with the development of nuclear power.

The Soviet Union has ambitious plans to develop nuclear energy, which it regards as cheaper and more efficient than other types of energy and at the time of the Three Mile Island accident, the Soviet Press reported that the cooling systems in Soviet reactors are more reliable than those in U.S. reactors.

Mr. Michel said: "They feel their safety provisions are such that they can proceed not only with the current model of reactors but with a fast breeder reactor."

At the time of one of the Soviet nuclear accidents, Mr. Neporozhniy put on a space suit and went to the site himself "to make certain the site was safe," Mr. Michel quoted the Minister as saying.

The subject of nuclear power safety was also brought up at a meeting between the visiting Congressmen and Mr. Alexei Kosygin, the Soviet Prime Minister.

Mr. John Brademus, the leader of the Congressional delegation, quoted Mr. Kosygin as saying that the Three Mile Island incident had done the Soviet Union a favour by alerting it to check safety precautions for its own nuclear power plants.

● An official of the Soviet Foreign Ministry has rejected a protest by the U.S. embassy over an incident in which the Moscow correspondent of U.S. News and World Report was apparently drugged.

The journalist, Mr. Robin Knight, who has been frequently attacked in the Soviet Press, became violently ill and repeatedly lost consciousness after drinking a vodka toast while on a trip to Soviet Central Asia. He said indecent advances had been made to his wife who was accompanying him.

Catalans march for home rule

BY DAVID GARDNER IN BARCELONA

BARCELONA was bedecked with flags and roses yesterday, as an estimated 300,000 Catalans turned out to call for a prompt re-establishment of full home rule in the region. The demonstration had been called by the Catalan Socialists and Communists, but was later supported by the two main nationalist parties.

The ostensible occasion for the march was St. George's Day—Sant Jordi as he is known, who is also Catalonia's patron saint. However, the march, which called for immediate parliamentary ratification of the Catalan statute of autonomy, was clearly a protest at the continuing hold-ups in the devolution of power to the region.

The demonstration was called unilaterally by the Left, thus breaking the policy of consensus with the Catalan Centre-Right which has characterised the period since Franco's death. It was opposed by both the governing Union de Centro Democratico (UCD) and Sr. Josep Tarradellas, the Madrid-appointed president of the provisional, and virtually powerless, Catalan Government.

The Catalan UCD viewed the protest as further evidence of the Popular Front which it sees behind the support agreement reached by Communists and Socialists after the municipal elections on April 3. This agreement gives the Spanish Left and nationalist forces control over 28 of Spain's 30 most important cities.

Sr. Tarradellas, for his part, has compared Sunday's demonstration to October 6, 1934, when the Catalan government responded to the revolutionary insurrection in Asturias, Barcelona and other regions by declaring its independence.

Dutch plan consumer loan curbs

The Dutch Government is planning to bring consumer credit requests up to Fl 40,000 (£9,340) under legal control from May 1, according to Mr. Andreas van Agt, the Prime Minister, Reuter reports from The Hague.

Informing Parliament of the already announced plans to curb consumer credit growth, he said virtually all consumer credit should thus be controlled, but mortgage credit is not meant to be affected and there are no plans to put the brake on consumer credit through fiscal means. The Government aims to restrict consumer credit debts outstanding to a growth of 15 per cent in the year to April 1, 1980, he said.

Gibraltar tax move

In a wide range of budget measures announced here yesterday, the Gibraltar Government has introduced a package of income-tax and family allowances to ensure a more equitable redistribution of income and wealth, our Gibraltar correspondent writes. It has increased personal income-tax allowances, adjusted tax bands and rates, and doubled family allowances, which will now be tax-free.

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Declining wood supplies worry fuel experts

BY BRIJ KHINDARIA IN GENEVA

AS THE world struggles to cope with higher petroleum prices and the prospect of further energy shortages, a neglected aspect of the energy crisis directly affecting about 200m people in more than 120 developing countries has assumed new urgency.

This "poor man's energy crisis" is one of firewood used by the vast majority of the world's villagers for their daily fuel needs because oil and coal are far beyond their means.

Wood fuels account for about 85 per cent of all energy used by households in developing countries for cooking, heating and other purposes. Consumption takes place mainly in the form of firewood, with charcoal accounting for a minor but substantial part of the total.

According to estimates by experts here, who cite United Nations Food and Agriculture Organisation (FAO) figures, wood burnt as fuel accounts for 33 per cent of the total energy needs of developing countries, compared with only 0.3 per cent in industrialised nations.

The poor man's energy crisis has become particularly acute not only because firewood supplies have almost run out in many areas, but also because rising costs of other kinds of fuel threaten to prolong the developing countries' dependence on firewood, whose depleted supplies cannot be rebuilt in less than 8-10 years—the time needed to grow new trees.

In most developing countries the only other sources of cheap energy for home use are animal dung and crop residues, both of which are vitally important natural fertilisers. The use of dung to burn as energy for cooking is equivalent to burning food in order to cook food. Calculations have shown that each ton of cow dung burnt as fuel in countries like India means a loss of about 50 kg of food grains.

Despite this stark trade-off, villagers in parts of Asia, the Near East and Africa burn nearly 400m tonnes of animal dung as fuel every year, a quantity that can produce 20m tonnes of food grains.

It is estimated that wood fuels account for two-thirds of all energy used in Africa, and that 90 per cent of all wood gathered in developing countries is burnt as fuel. Despite the already severe shortages of firewood, demand is expected to rise by 50 per cent by 1994.

Because forests are renewable resources, availability of fuel wood can also be organised and planned through forest development programmes involving the kinds of wood most suited to burning.

Mr. Edouard Saouma, FAO's director general, argues that trees should be planted as part of a mixed agricultural programme to provide food and fuel for the local people. Trees can thus become a part of local economic process in poor countries.

Germans defend research outlay

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S mechanical engineering industry has hit back at critics who have accused it of spending far too little on research and development. Figures produced by its trade asociation show that on almost all criteria it comes second only to the U.S. industry on R and D outlay.

According to the Verein Deutscher Maschinenbau-Anstalten (VDMA), the mechanical engineering trade association, R and D expenditure in the industry is not comparable with that of the chemical or electro-technical industries.

In mechanical engineering much more R and D expenditure takes place outside the individual companies—at institutes or universities, for example—and periods of innovation are far longer than in the other two industries.

However, an analysis of the period from 1967 to 1975 (the latest comparable figures available) show that overall spending on R and D has been higher than in most of its western industrial competitors, says the VDMA.

In 1975 the industry spent DM1.6bn (£406.3m at current exchange rates). While this was well below the U.S. figure, it was four times as high as expenditure in Britain, Sweden and France, and considerably higher than the Japanese figure.

As a proportion of the industry's turnover, West German R and D spending totalled 1.9 per cent. This was below the 2.7 per cent spent in the U.S. and under the proportionate spending in Sweden but well ahead of Britain's 0.7 per cent, France's 1.1 per cent and Japan's 1.4 per cent.

During the period from 1967 to 1975, West German R and D spending rose five-fold. In France it rose hardly at all. In Britain it fell, while in Japan it went up four times.

Measured in terms of numbers employed, West German spending amounted to about £298 per worker, far ahead of any other European country, with the exception of Sweden.

Schmidt hits at E. German curbs on correspondents

BY LESLIE COLITT IN BERLIN

HERR HELMUT SCHMIDT, the West German Chancellor, has called the recently imposed curbs on western correspondents by East Germany a sign of the "weakness of its leadership." The restrictions, forbidding western journalists from interviewing East Germans without prior official approval, have led to a marked worsening of relations between the two Germanies.

Although Herr Schmidt said West Germany will not retaliate against East German correspondents in Bonn, his remark about the East German leadership—made at a Press conference in Vienna at the weekend—has incensed East German officials. Since the intra-German agreements were signed in 1972 it has been West German policy to make the East German Communists feel more secure rather than weaker in order to achieve increased contacts between the people of East and West Germany.

The restrictions on western journalists are part of an overall hardening inside East Germany that includes the stepping up of measures against political critics, the most prominent of whom are Professor Robert Havemann, the Marxist, and Herr Stefan Heym, the writer.

Herr Helmut Schmidt
West Germany's Chancellor

Prof. Havemann, 69, has been under virtual house arrest at his home outside East Berlin since he protested against the expulsion of the East German balladier, Wolf Biermann, in November, 1976. The professor says police are blocking the entrance to his house; his wife not even being allowed to take their daughter to kindergarten. The East German authorities have repeatedly tried to get Prof. Havemann to leave *voluntarily for* West *Germany* but he has always refused.

Herr Heym, 66, a best-selling author in the West who gave up his *American citizenship in* 1952 to settle in East Germany as a *convinced Marxist, says the* East German authorities have now refused to allow him to travel to West Germany to deliver a lecture in *Mainz*. In recent years, he and other East German writers and artists have been allowed to travel to the *West freely*.

"Now I am in the same situa*tion as 99 per cent of all other* GDR citizens," says Herr Heym.

A ban on travel to the West has been imposed on at least *four other* critical East German writers, and Herr Heym *believes* that in his case it is connected with the publishing *of* his latest novel in West Germany, which criticises the East German State security system.

The curbs on Western journalists, which have led to sharp protests from the West German Government, were imposed after citizens made critical remarks about East German authorities to West German TV correspondents. The same evening they were seen by millions of East Germans, who closely follow West German television programmes.

Kurdish problem plagues Ecevit

BY DAVID TONGE

THE TURKISH Government's hold on the Parliament in Ankara was weakened yesterday by the resignation of three members from the ruling Republican People's Party. The three, who represent predominantly Kurdish areas in south-eastern Turkey, are understood to have resigned in protest *at apparent Government plans* to extend martial law into the Kurdish areas.

Before the defections, the Government of Mr. Bulent Ecevit had 228 votes in the National Assembly. This has 450 seats but four are vacant as a result of deaths, and the Opposition is still unable to muster the 226 votes required *to overthrow* the Government in a vote of confidence.

The revolt against Mr. Ecevit is the second in a week. In the previous one, six conservative MPs who had crossed the floor and become Ministers issued a public attack on the policies of Mr. Ecevit. Their objections started with an attack on activities "jeopardising the integrity of the nation" and a call on the Government to go to the "*root of the matter.*"

This was generally interpreted as a reference not merely to the recent sectarian fighting in Turkey but also to the increasingly worrying situation among the 7m Kurds who make up one-sixth of Turkey's inhabitants.

The Cabinet, after a 17-hour meeting, is reported to have agreed to extend martial law to the Kurdish areas. After a *meeting today of the country's* National Security Council, the *question of prolonging martial* law in 13 of Turkey's 67 provinces and extending it to the Kurdish areas is due to be voted on tomorrow.

Last week's visit to Iraq by Gen. Kenan Evren, the Turkish *Chief* of Staff, has been widely described as reflecting the concern in Ankara that the recent *uprisings by Iran's Kurds could* have consequences in Turkey. Ever since Turkey won its independence in 1923, the Kurds — described by officials in Ankara as "mountain Turks" — have been viewed with extreme suspicion by Turkish security forces.

Officials in Ankara are increasingly worried at this situation.

Reginald Dale reports from Homestead, Florida, on NATO's nuclear dilemma

Wrestling with the Soviet arms build-up

IN GREAT SECRECY Western Governments are girding themselves to take what could be one of the most important military *decisions since the NATO* alliance was established just 30 *years ago this month*. The outcome will not only be vitally *important for the credibility of* the West's defences in Europe.

In the wider political context, it could provide an indication of the extent to which Western Europe is in danger of becoming "*Finlandised*" by the Soviet Union. "Finlandisation," a term which is far from popular in Helsinki, implies the reluctance, or inability, of Western governments to take politico-military decisions of which Moscow disapproves.

Western consultations should be taken an important step forward over the next two days here at a restricted gathering of defence ministers in Homestead Air Force base in southern Florida. The meeting is one of the twice-yearly sessions of NATO's eight-nation Nuclear Planning Group (the NPG), of which only four countries (the U.S., the UK, West Germany and Italy) are permanent members.

The remaining four seats are filled by the other allies (excepting France) in rotation, and this time it is the turn of Canada, the Netherlands, *Norway* and Turkey. Mr. Fred Mulley, Britain's Defence *Minister, views the Homestead* meeting as sufficiently important to warrant a temporary absence from the British *general election campaign*.

The problem at the centre of the ministers' discussions is the modernisation of the alliance's so-called Theatre Nuclear Forces (TNF). These are the nuclear weapons based in Western Europe which would be used to try to stop a Warsaw Pact invasion before such strategic weapons as American-based Minutemen, or the British Polaris submarine force, were brought into action.

Many of these TNF systems, *particularly the airborne ones* like the British Vulcan and the *American F-111, are ageing and* due to be phased out in the 1980s. In simple military terms, these essentially battlefield weapons need replacing if the Warsaw Pact, which is constantly modernising and improving its tactical nuclear forces, is not to gain an overwhelming nuclear superiority in Western Europe, in addition to its already massive superiority in conventional terms.

But the problem is further aggravated, at both the military *and the* political level, by the rapidly growing threat to *Western Europe posed by the* Soviet build-up of intermediate rang nuclear systems such as the SS20 missile and the Backfire bomber, to which there is no counterweight in the West. The West's current "theatre" weapons would find it difficult or impossible to hit military targets in the Soviet Union, but Moscow would not have the slightest difficulty in "taking out" Portsmouth or Rotterdam with an SS20.

As neither the SS20 nor the Backfire, *in their present form*, can be used effectively against the *U.S., they are not subject* to the limits on strategic weapons negotiated bilaterally by Moscow and Washington in the latest round of Strategic Arms Limitation Treaty (SALT

All this gives cause for serious anxiety to Western governments, and most acutely that of frontline West Germany. First, a gap is seen to be opening in the NATO nuclear deterrent, traditionally based on the concept of graduated escalation. The West has *nothing in its armoury* between what are essentially battlefield weapons *and the ultimate* strategic deterrent, whereas the *Soviet Union now has. In many* European eyes, the danger is magnified by the *likely outcome* of SALT 2. If stabilisation of the U.S.-Soviet strategic balance under SALT 2 means that neither super-power feels it has anything to gain by all-out nuclear war, then the Soviet Union might conclude that it could use its intermediate *nuclear forces* against Western Europe without necessarily pro*voking a strategic response* by the U.S.

Such fears are further heightened by a suspicion that the U.S., for internal political reasons, may be becoming less inclined to countenance all-out nuclear war simply to defend Western Europe—despite President Carter's assurances to the contrary.

The fear is less that the Kremlin would actually decide to "take out" Rotterdam, although that can easily be envisaged in *strategic* "war games," than that it might use the possibility *of doing so* with impunity to impose political demands on Western Europe.

That is what makes the *innocent sounding* "TNF modernisation" programme so important. Part of the programme will, of course, entail replacing battlefield weapons by their more modern equivalents, as, for example, nuclear-tipped Lance missiles are superseding the earlier Honest Johns.

But the most sensitive part of the plan will deal with the installation of new, longer-range, nuclear weapons in Western *Europe to fill the gap in the* deterrent and counter the Backfire and the SS20

No one supposes that the West will match the Soviet weapons one for one; but some show of determination is generally thought to be needed —both to build up a stronger bargaining position for future arms control negotiations and to show Moscow that the West has not become too feeble to stand up for itself.

At *their meeting here*, ministers will have before them a *report from a NATO task* force which concludes there is a *clear need, on military* grounds, to fill the gap and out*lines ways in which it could be* done.

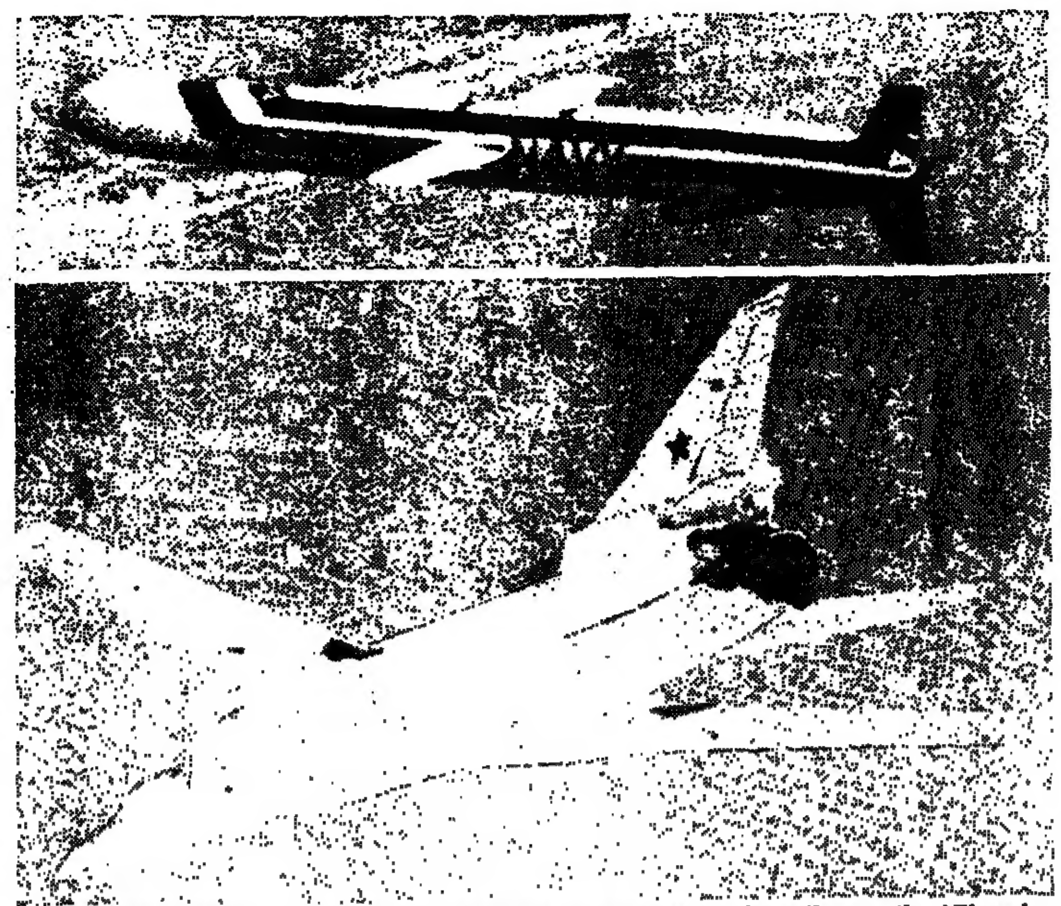
Four broad categories are under consideration: air or ground - launched Cruise missiles; air-carried missiles and bombs; *land-based missiles* such as an extended range version of the Pershing 2 or a completely new, mobile, medium-range *missile; and sea-launched* missiles fired from submarines.

Many of these options present major difficulties. The U.S., for example, is not going to *spend a* vast amount of money developing a medium-range missile for the Europeans unless it is pretty sure they are *going to* buy it. Sea-launched missiles could only be launched from American submarines — unless Britain's *Polaris* force were re-targeted—thus failing to ensure the added European involvement that is meant to be the aim of the operation. At most, ministers might this week agree on the need for new systems, leaving final decisions on which ones until later in the year.

Many defence experts hope, however, that decisions will not be put off beyond this coming autumn. First, these are the sort of systems that will be under discussion in the next round of Strategic Arms Limitation Treaty (SALT 3) talks, and the West needs to know where it is going before negotiations get under way in earnest. Secondly, both the U.S. and West *Germany will be moving* into sensitive pre-election periods if the issue is *post*poned for too long.

A related point is that Britain must soon make far-reaching decisions on its entire future as a nuclear power in the 1990s, when Polaris is no longer operational. The UK will probably want to secure some sort of assurance from Washington that new U.S. systems will be available, if they are wanted, in the same sort of time scale—that is, *before President Carter gets too* involved in his re-election *campaign*.

One of the trickiest problems will be over siting the new weapons. Bonn is adament that at least two other countries must also house them if they are to be based on West German soil.



Two strategic weapons at the centre of NATO Defence Ministers' deliberations on the Alliance's *nuclear modernisation plans: the U.S. Navy's Tomahawk Cruise missile (above) and the Soviet* Union's Backfire bomber (below).

THE RHODESIAN ELECTIONS

A flawed triumph for Mr. Smith

BY MARTIN DICKSON, AFRICA CORRESPONDENT

IT WAS a grey-haired African schoolmaster, standing in the middle of a village of thatched huts, who best summed up the meaning of Rhodesia's internal settlement election.

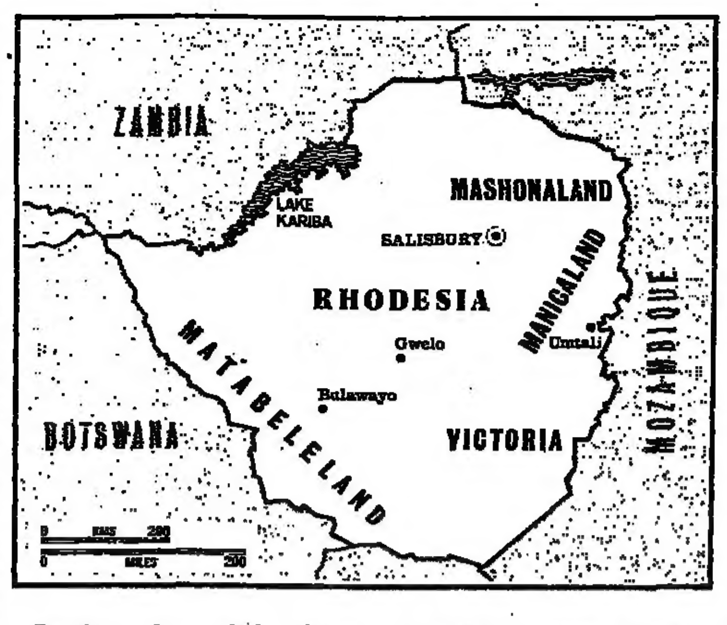
"You go back to England," he said, "and tell Dr. Owen that the people are crying out for peace. We are sick and tired of war."

If the official 63.9 per cent poll achieved by the Rhodesian Government can be said to demonstrate anything, it is that there is an immense yearning in the country for an end to the six-year-old guerrilla war which has left no home untouched.

This emotion was an obvious one for the internal settlement leaders—Mr. Ian Smith, Bishop Muzorewa, Rev. Sithole and Chief Chirau—to play on in the run-up to polling. "Your vote can stop the war," went the campaign slogan. Faced with such an alluring prospect, it is hardly surprising that voters flocked to the polls.

But beyond this it is difficult to say with any confidence what the election shows. The poll cannot be simply seen as rreferendum on the new and controversial constitution negotiated by the internal leaders, which leaves whites with a degree of power out of all proportion to their numbers.

The difficulties in quantifying the results of the poll were greatly increased by the war, which meant that journalists and international observers would put their lives at risk if they ventured out into the bush alone. This meant that for the most part the Press and observers were dependent on Government transport for what they saw—and there were large tracts of country, notably in the Matabeleland stronghold of guerrilla leader Joshua Nkomo, to which no pressmen were taken.



Bearing in mind these limitations, the actual process of voting does seem to have been carried out in a generally honest (and highly efficient) manner.

However, some doubts must be cast on the accuracy of the final national percentage poll, since two provinces recorded turnouts of over 100 per cent. This may have been due in part to inaccuracies in the estimated voting population in each province. Another contributory factor could be voting by teenagers under the legal age of 18—at some polling stations the age of the voter did not appear to be monitored as strictly as it might.

Nevertheless, there cannot be much doubt about the genuine enthusiasm for the elections displayed in urban areas. Intimidation cannot explain away the long queues which formed outside urban polling booths on the first day of the election, nor the jolly, carnival atmosphere around the polling points.

This said, however, the election cannot be regarded as an accurate reflection of African opinion because of the background in which it was held.

For there was a built-in bias in the whole process. The great weight of the Government's extremely sophisticated propaganda machine was brought to bear on the electorate and dissenting viewpoints were mercilessly crushed. Censorship has been in force for months, a black opposition newspaper, the Zimbabwe Times, was shut down last year, and at least 100 supporters of Joshua Nkomo were locked up just before polling started.

More direct pressures were also brought to bear to ensure a high poll. White householders were urged to "accompany" their servants to polling booths, whilst the owners of White farms, where over 20 per cent of the population live, were asked to "ensure" that their labourers voted. Mobile booths toured factories and the so-called protected villages, where at least half a million people live surrounded by barbed wire to insulate them from the guerrillas.

One of the most striking features of the election is the extremely wide geographical variation in voting patterns—illustrating in very broad terms the extent to which the Salisbury Government and the guerrillas hold sway in various areas.

Thus the heaviest voting was to be found in the three provinces of Mashonaland, comprising a belt across the north of the country, in two of which the number of votes cast exceeded the estimated total voting population. It is an area which includes Salisbury, many white farms, a large number of protected villages and many auxiliary forces loyal to the Salisbury Government.

At 46 per cent, polling was much lower in Manicaland, down the eastern border with Mozambique—despite the fact that this is the home area of both Bishop Muzorewa and Mr. Sithole. It has been strongly infiltrated by guerrillas, as has Victoria Province in the south-east, where only 36 per cent of the population went to the polls.

Most revealing of all, a mere 30 per cent of voters cast ballot papers in Matabeleland South, the home area of Joshua Nkomo. For the most part, his Ndebele/Kalanga people, who comprise about 20 per cent of the population, seem to have shunned the polls.

In view of all the Government's efforts to get a high turnout, this demonstrates a considerable guerrilla hold over large tracts of countryside.

If the first lesson of the election is that people want peace, the second is that peace looks like being a long time coming.

S. Africa gags news on its oil supplies

By Quentin Peel in Johannesburg

SWEEPING LEGISLATION to prevent the publication of any information about South Africa's oil supplies, as well as other strategic industries, has been introduced in Parliament in Cape Town.

The draft law lays down jail terms of up to seven years, or fines of up to R7,000 (£4,100) for anyone publishing information about the "source, manufacture, transportation, destination, storage, quantity or stock level of any petroleum product" acquired or manufactured in the republic. The same penalty covers any information falling under the National Supplies Procurement Act, the law introduced last year allowing the Minister of Economic Affairs to commandeer production of strategic goods and commodities.

The measure extends the effective South African censorship system, already applying to the whole nuclear field, as well as to defence and prisons, to a new area of industrial activities. While the Government has so far held off from introducing a Press Bill, specifically to control the Press, it has instead introduced controls in a range of specific areas which have the same effect.

The Bill, introduced by Mr. Chris Heunis, the Minister of Economic Affairs, fits in with the Government's strategy of preparing for a "total onslaught," not just in the military field, but also in the economic. Although the law need not be invoked immediately, it would obviously be used if South Africa were facing any form of economic sanctions.

Iran gunmen assassinate former chief of staff

BY ANDREW WHITLEY IN TEHRAN

IRAN'S first political assassination since the February revolution occurred in Tehran yesterday when gunmen killed General Mohammad Vali Qarani, the former chief of staff of the armed forces, who was forced to resign last month.

There was no immediate indication of who was responsible, although suspicion is concentrated on one or other of the extremist Marxist factions which are committed to armed struggle. The shooting has shocked many in Tehran since security for most prominent political figures is lax.

Two men armed with submachineguns called at the General's house yesterday morning. One held workmen at bay while the other climbed the garden wall and opened fire on the former chief of staff. The general, who was in his late 60s, died in hospital after an emergency operation. A workman was also shot and injured.

Why Gen. Qarani should have been picked out for assassination was not clear as he ad played no political role since his dismissal four weeks ago, after only five weeks in office.

A senior officer under the Shah a decade earlier, his plans to rebuild a conventional army and his public recognition of the need for some foreign military advisers, made him a controversial figure. Left-wingers mounted a vociferous campaign to force his dismissal.

It is suggested that the killing may be intended as a warning to the Government and to Ayatollah Khomeini about continuing left-wing opposition to the reconstitution of the army.

Meanwhile the Government remains preoccupied with the fighting in Iranian Kurdistan. Clashes in the town of Naqadeh have gone on for four days, claiming 150 lives and leaving 500 injured, according to the state radio. The trouble is reported to be spreading to other villages and towns in the area.

Attempts were continuing yesterday to persuade those involved to adhere to Sunday's ceasefire agreement which was broken within hours of coming into force.

To add to the authorities' difficulties, the senior religious leader of the country's Arab minority, living in the vital south-western oil region, has chosen this moment to threaten to leave Iran if "Arab rights" are not recognised within a fortnight.

Uganda sends mission to Nairobi

BY JOHN WORRALL IN NAIROBI

THE FIRST Uganda mission to visit Kenya since the overthrow of President Idi Amin arrived in Nairobi last night. The mission, led by Mr. Otema Alimadi, Foreign Minister in the Government of President Yusufu Lule, is to have talks with President Daniel Arap Moi of Kenya and Dr. Munyua Waiyaki, Kenya's Foreign Minister. They are expected to cover a range of subjects including future co-operation between the two countries and trade relations.

Immediately the road from Kampala and Jinja to the Kenya border is cleared and rail and road communications are renewed, essential goods, including oil, will start moving from Kenya to Kampala. Thousands of gallons of fuel and other consignments are piling up at the Kenyan border town of Malaba.

It is expected that the two Governments will also deal with the question of the future of the fugitives loyal to Idi Amin who have fled to Kenya. Many of them are wanted for trial as war criminals in Uganda. There is no extradition treaty between the two countries, but is is expected that Kenya will hand the wanted men over to the Ugandans.

One of the fugitives is Major Bob Astles, Idi Amin's British-born adviser on security, who is being held by the Kenyan police.

Members of the Uganda mission to Nairobi include Mr. Akena P'Ojok, Minister of Energy and Communications, and Mr. Ateker Ejalu, Minister of Information and National Orientation.

The Tanzanian and Uganda force which took Jinja on Sunday, assuring the safety of the Owen Falls dam and power station at the Nile source, is pushing on towards Tororo, near the Kenyan border. The capture of Tororo will ensure the safety of the road from Kenya.

Latest reports indicate that Amin may still be in Uganda, digging in with a considerable force at Arua in the North, near the border with Zaire. Diplomats here confirm that he was in Iraq recently asking for arms to continue the struggle.

Thai poll result indecisive

By Richard Nations in Bangkok

THE RESULTS of the Thai General Election increase the possibility that the next Government will face growing instability and a stronger threat from hardline right-wing elements in the armed forces.

Most observers still expect the incumbent Prime Minister, General Kriangsak Chomanan, to form the next Government, although he has disclaimed any ambition to continue in office.

But no party has won a clear majority in the elected Lower House which is dominated by a collection of splinter parties and independents. The largest block of seats fell to the reform-minded Social Action Party of Mr. Kukrit Pramoj, a former Prime Minister, but it managed to win only 85 of the 301 seats contested.

General Kriangsak therefore remains the most likely candidate to form a Government. He will have support from pro-Government parties and independents in the Lower House. But his main political anchor will be a loyal block in the army-dominated 225-seat appointed Senate or Upper House. As outgoing Prime Minister, General Kriangsak nominated the Senators for the King's approval.

An unexpected twist in the results promises to shift the parliamentary opposition to Kriangsak's right. A group led by the ultranationalist Mr. Samak Sundaravej won 29 or the 31 seats in Bangkok, which had been the stronghold of the more moderate Democrat Party.

Samak's support in the Lower House is insignificant in numbers. But the fact that he swept the capital with a one-man campaign of right-wing populism has proved his ability as a vote-getter. He will offer a natural focus for the many up-country independents in the Lower House.

Sanak also has strong support among Kriangsak's rivals in the forces, including the likely candidate to lead the Senate, Admiral Sa-Gnad Chaloryu, a former Supreme Commander.

No ceiling on Indian tea exports

CALCUTTA — The Indian Goverment has decided not to set a ceiling on 1979-80 tea exports commerce minister, Mohan Dharia said.

Addressing the annual general meeting of the Indian Tea Association, Mr. Dharia said there will be enough tea for domestic requirements and a comfortable surplus for export. He urged the industry to stimulate exports.

He asked the Industry to raise packet tea exports to Rs 1bn in 1979-80 from their expected level of Rs 660m, in 1978-79.

Brown to brief NATO Ministers

By Reginald Dale

MR. HAROLD BROWN, the U.S. Defence Secretary, will today brief NATO Defence Ministers on latest developments in Washington's nearly completed strategic arms limitation negotiations with the Soviet Union (SALT II). He will want to be reassured of their continued backing in the Administration's uphill battle to secure ratification of the agreement by the Senate over the coming months.

The leaders of France, Germany, and the UK have already approved the overall lines of the SALT agreement at their Guadeloupe meeting with President Carter in January. Since then there has been progress on a number of important technical points which Mr. Brown will want to explain to the U.S. allies.

European disapproval of all or part of the package could have a serious, if not fatal, impact on the agreement's chances of ratification.

The two-day meeting of the alliance's Nuclear Planning Group, which starts at Homestead air force base in Florida today, is being attended by Ministers from the U.S., the UK, Germany, Italy, Canada, the Netherlands, Norway, and Turkey.

After listening to Mr. Brown the Ministers are likely to go on to examine negotiating procedures for the next round of strategic arms limitations talks (SALT III), in which the European countries are expected to be much more closely involved.

The Ministers will discuss a West German proposal that a special SALT III working group be set up inside the alliance. A major problem will be to find a way of representing European interests in the negotiations, which will include nuclear weapons based in, and targeted at, West Europe for the first time.

Germany, and probably the UK, would like a seat at the negotiating table. Next, the Ministers will turn to the sensitive issue of the modernisation of the alliance's nuclear forces in the European theatre, in the hope of clearing the way for final decisions later in the year.

President Carter 'ill-advised and unprepared'

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER has come under fire in a largely critical article published by his former chief speechwriter for a lack of vision and inability to explain his goals, made worse because he was ill-prepared for the Presidency when he took office in early 1977.

The article in *Atlantic Monthly* was written by Mr. James Fallows who was responsible for dressing up Mr. Carter's policies for public and congressional consumption from 1976 to autumn last year when he resigned. He comments that the President "holds explicit, thorough positions on every issue under the sun, but he has no large view of the relations between them."

In no area has Mr. Carter had more problems than with Congress—the two are shortly to join battle on the President's request for a windfall profits tax on the oil companies. Mr. Fallows attributes the President's setbacks on Capitol Hill, such as on tax reform or energy policy, to the fact that Mr. Carter came to Washington with no clue about "how Congressmen talked, worked, and thought, how to pressure them without being a bully or flatter them without seeming a fool."

Nor does Mr. Fallows think that Mr. Carter, whom he regards as one of the most moral and intelligent Presidents of this century, has learnt much "on the job," because he has surrounded himself in the White House with a coterie of equally insular fellow Georgians.

He weakened himself by giving the aides pay rises after preaching economy in government, by not probing the affairs of Mr. Bert Lance, his friend and Budget Director, and by not seeking a broader political base for his energy programme, Mr. Fallows writes. No advisers are close enough to the President to criticise him, he says.

President Carter and Dr. James Schlesinger, the Energy Secretary, worked out their energy plan in a "political vacuum," he says. "To Carter and Schlesinger, solving the energy problem must originally have seemed like solving a cube root. Once they had the right answer, they thought their work would be done."

Much of Mr. Fallows's comment will be seen as the political maturing of a young man who was only 27 when he got the top speechwriting job in 1976. He clearly thought highly of Mr. Carter: "If I had to choose one politician to sit at the pearly gates and pass judgment on my soul, Jimmy Carter would be the one."

The White House has not commented on the article, of which a second installment is promised. But it will not improve the President's view of his speechwriters, two of whom have expressed their disillusion publicly after resigning.

Mr. Carter has also had to contend with the often hostile criticism of Mr. William Safire, a former Nixon speechwriter and now a New York Times columnist.

Mr. Fallows makes a point which is now obvious to many, that while President Carter is excited by foreign policy problems, his eyes glaze over when it comes to many domestic policy issues. But even in foreign affairs, "he fails to project a vision larger than the problem he is tackling at the moment," Mr. Fallows says.

This has import for the passage of the planned SALT treaty and next year's Presidential election campaign, in which Mr. Carter seems almost certain to run. "Because Carter cannot explain what he is doing, he is an easy mark for a Moynihan or a Reagan or a Connally who can speak with passion about the decline of American power."

Mr. Connally and Mr. Reagan are two Republican contestants for the Presidential nomination, while Senator Moynihan is one of the group of Right-wing Democratic Senators opposed to to the SALT II treaty.

Monetary reform plea from Latin America

By Hugh O'Shaughnessy in La Paz

THE 18th session of the UN Economic Commission for Latin America (ECLA) meeting has developed into a skirmish between the developing countries and the industrialised nations—on the eve of next month's negotiating battle between north and south in Manila.

The Latin Americans have attacked what they see as the growing protectionism of the industrialised world and have called for sweeping reforms of the world monetary system. The industrialised countries, represented by the U.S., Britain, France, the Netherlands and Canada, have expressed a desire for consensus on major world economic problems but have rather wearily rejected Latin America's demands.

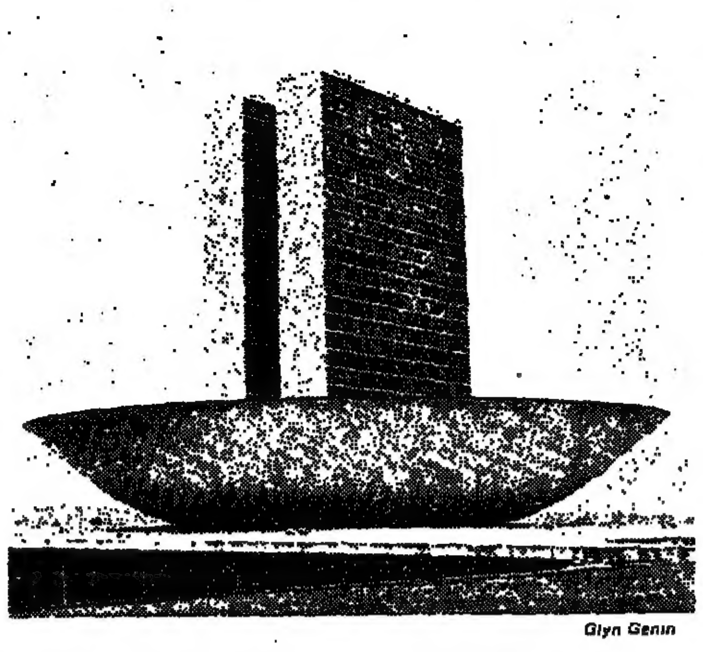
Sr. Enrique Iglesias, the ECLA executive secretary, underlined the urgency to redistribute income more progressively in the region. If present trends continued, he said, the number of Latin Americans below the poverty line would have increased in absolute terms by the end of the century and the gap between rich and poor would be alarming.

At present, he said, some 40 per cent of Latin Americans were below the poverty line and 19 per cent living in absoluate indigence. The eradication of poverty would demand the reassignment of only 6 per cent of the personal income of the region.

Sr. Iglesias argued that the growth prospects for the region were bright, despite the present sluggishness because of its large share of the world's natural resources, low level of cultivation, and increasingly skilled workforce.

Hugh O'Shaugnessy reports on a city which inspires enormous respect but very little love

Brasilia—two decades on



Glyn Genin

The Congress building dominates Brasilia's skyline.

THE celebrations surrounding the accession of General Joao Baptista Figueiredo to the Presidency of Brazil in Brasilia last month confirmed the impression of many people, including the writer, that Brazil's capital is a city which commands enormous respect but, as yet, very little love.

Nearly two decades after its principal buildings were inaugurated in 1960 by President Juscelino Kubitschek, the city has certainly done much of what its founders hoped it would do. With around 1m inhabitants, it has a personality and an importance of its own.

It is indubitably the centre of political power in Brazil, the place where the President lives when he is not touring, the command post of the armed forces, and the seat of the Congress. Its newspapers are becoming steadily more powerful and its university, though kept on a politically tight rein, has attracted some of Brazil's leading intellectuals.

For some years now all the embassies have had their chanceries in Brasilia. Work on the permanent British Embassy buildings will start in late August or September. It will take its place between the impregnable compound put up by the Soviets and the graceful edifice erected by the French.

No news gathering organisation can afford to ignore Brasilia and the Foreign Press association has finally decided to quit Rio de Janeiro and settle in the capital. Rio, the former capital, has been the principal sufferer from the rise in Brasilia's importance.

Though still a city which is very proud of its beauty nad style of life, Rio has lost its legislative function and has seen its financial role subordinated to the industrial monster Sao Paulo.

The rise of Brasilia has helped shift the pole of Brazilian development towards the unexploited interior of the country, as had been planned since the idea of an inland capital was first conceived in the earliest years of the last century.

Brazilians no longer think of their country principally as a ribbon of land between the south Atlantic and the jungles and savannahs of inland South America. A great part of that change of attitude has been due to Brasilia.

As the city moves into its third decade it will become more important than ever, but in the day-to-day conditions of life that it offers its citizens it is less successful. The principal creator of Brasilia was the archtect Oscar Niemeyer, a Marxist-Leninist who went on to design the headquarters of the French Communist Party in Paris. He complained that it was not his fault if his main commissions came from capitalists.

It is perhaps not fanciful to see more than a smack of Leninist dogmatism and elitism in his creation. The various activities which make up the city's life are segregated into distinct "sectors," the hotels in one spot, trade in another, the banks in yet another, the ministries along the main esplanade which looks like an arrow pulled across the gently curving arcs of the main north and south highways, which make up the bow.

Built as a city for cars, Brasilia is capital of a country where the vast majority of the population can never aspire to owning one.

Here and there pedestrians have worn away paths between the principal buildings. The tracks are a mute protest against roads hundreds of yards wide with few pavements.

Though it may not have been what Niemeyer wanted, housing in the centre of the city has been quickly snapped up by the wealthier Brazilians. The number of flats designed for workers and still in their hands is small.

Most live in the satellite towns, Guara, Taguatinga, Braslandia and Ceilandia. The latter was originally built for the slum dwellers who lived by the lake in Brasilia, fast being polluted by sewage and garbage. Only a few of Ceilandia's straight streets are paved.

The bus journey between Ceilandia and Brasilia can take more than an hour in each direction, a big burden on the working day of the commuter. In the city itself the complaint that there is very little to do after work is slowly being answered. The principal theatre is now in use, there are some cinemas and there are clubs with premises around Lake Paranoa.

Despite that many people who can afford a weekly return trip on the "air bridges" to Rio and Sao Paulo take the opportunity to leave at the weekend. A teacher at the University of Brasilia commented to me: "I keep happy by travelling abroad as often as I can, half a dozen times a year." Few inhabitants of Brasilia can do that, fewer still in Taguatinga.

Court bans savings transfers

BY STEWART FLEMING IN NEW YORK

THE UNITED STATES Court of Appeals has ruled that it is illegal for savings and commercial banks and thrift institutions automatically to transfer funds from savings to deposit accounts.

This decision threatens a rapidly growing and attractive service which banks and savings institutions have been offering to consumers since November 1 last year.

The automatic transfer facility which, in part, is a spin-off from computerisation of bank operations, has enabled banks to circumvent regulations, preventing them from paying interest on demand deposits.

In effect it allows the banks to pay interest of 5 per cent on consumer deposits in the banks by automatically transferring funds from interest bearing savings accounts to demand deposit accounts in order to cover withdrawals.

The Appeals Court has determined that the automatic transfer systems can continue to operate until January 1 in order to give Congress time to change if it wishes the laws prohibiting interest payment on demand deposits.

The court said the transfers could have a deleterious impact on the financial community and blur the distinction between different types of financial institutions.

The court also said there was no statute permitting federal bank regulators to authorise the introduction of these services as they did in February last year.

The decision then by the Federal Reserve Board among others to permit automatic transfers brought an outcry from the savings industry and a legal challenge from the League of Savings Associations. This was one of three suits the court was ruling on.

But the impact of the ruling to allow automatic transfers was to alter the competitive balance between various deposit-taking institutions. Now that this has been overturned, the issue is likely to be thrown into the legislative process.

Already a wide range of regulations dealing with the powers of financial institutions is under review, including for example the Regulation Q interest rate ceilings, the terms on which savings accounts can be opened and the Federal Reserve Board's reserve requirements.

WORLD TRADE NEWS

JAPANESE PROCUREMENT POLICY

Liberalisation likely to benefit U.S.

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN APPEARS to have decided to open some $7bn (£3.5m) worth of Government procurement tenders to foreign participation as part of its final trade liberalisation package for the multilateral trade negotiations.

It seems almost certain however that the offer will be a discriminatory one, in the sense that European companies will be excluded from all or part of the tenders involved. The main beneficiary will be the U.S., which has made the liberalisation of Government procurement the spearhead of its recent efforts to open the Japanese market to U.S. exports.

The U.S. began discussing procurement liberalisation with Japan last summer after announcing its own proposal to grant foreign companies access to $10bn-worth of Government tenders.

Japan's initial offer was to liberalise $3.7bn-worth of tenders, but this was raised early this year to $5.1bn.

Japan's latest and apparently final offer has been made in the face of U.S. warnings that the Tokyo summit of developed countries' heads of state cannot be expected to succeed without drastic action before the summit to adjust Japan's trade surplus with the U.S.

The new Japanese liberalisation package is understood to include about $5bn in government tenders plus an additional $2bn worth of state corporation tenders.

The most significant difference between the offer and previous Japanese proposals is the liberalisation of tendering for "main line" communications systems purchased by Nippon Telephone and Telegraph the state telecommunications entity.

Japan claims to be the only participant in the Geneva GATT talks to have agreed to liberalise procurement by a state telephone corporation. The decision to do so involved the government in a battle with NTT which ended last week in the NTT president deciding to resign.

The US has not had to face the question of liberalising state telecommunications tenders since its telephone system is privately operated. EEC member countries, including the UK and West Germany, continue to operate tightly controlled procurement systems which reserve almost all major orders to domestic suppliers. Because of this the EEC avoided making an issue out of procurement

Japanese officials stress this point as the main reason why European companies cannot expect to be added to the list of those eligible to bid for NTT orders (assuming the liberalisation proposal is adopted). They also hint strongly that the EEC's overall GATT package is unsatisfactory as far as Japan is concerned, particularly after the last minute cancellation, two weeks ago, of a European offer to withdraw bilateral import restraints on 33 Japanese export items.

Whether the Japanese offer is accepted by the U.S. will depend in part on the "quality" of the offer—that is on whether the items destined for open tender are felt to include products in which U.S. industry is competitive. U.S. officials recall a remark by the NTT president to the effect that his corporation might allow foreign companies to tender for "mop buckets and concrete telephone poles."

The Japanese offer is to be presented to the U.S. in the next day or so through the Japanese Embassy in Washington. If it is accepted, or is felt to be within reach of what would be acceptable, the U.S. special trade negotiator Mr. Robert Strauss will probably make plans for an early visit to Tokyo to put the seal on the U.S.-Japan trade negotiations.

Motor industry in UK talks

BY CHARLES SMITH, FAR EAST EDITOR

JAPAN WILL be asked to fulfill its pledge to export "prudently" to the UK when representatives of the British and Japanese motor industries meet in Tokyo today for a twice-yearly review of the market.

The UK team, from the Society of Motor Manufacturers and Traders (SMMT), will be headed by Sir Barry Heath, the current President. The Japanese delegation will be led by Mr. Eichi Toyoda, president of Toyota Motor and of the Japanese Automobile Manufacturers' Association (JAMA).

Japan accounted for 9.06 per cent of UK car registrations during the first three months of 1979, a substantially lower figure than the 11.5 per cent share it won during the same period of 1978 and the figure of 10.96 per cent recorded for 1978 as a whole. This should mean that today's talks will be conducted in a fairly relaxed atmosphere.

Another reason why the talks are likely to be low key is that neither side wants Japanese car exports to figure as a political issue in the current British election campaign.

Today's talks (like previous sessions) will be attended only by representatives of the two countries' motor industries—not by officials. Britain's Department of Trade and Japan's Ministry of International Trade and Industry will, however, be keeping a close watch and could be called upon to "clarify" the results of industry level discussions if any hitches occur.

The cuts in shipments made by Japanese exporters last November and December were reflected in Japan taking an unusually low share of UK registrations in December and January (7.79 per cent and 8.73 per cent respectively). Since January there has been some recovery in both shipments and registrations, but not to a level which seems likely to cause any immediate concern in Britain.

BA discusses Peking flights

By Michael Donne, Aerospace Correspondent

THE POSSIBILITY of British Airways flying directly to Peking has strengthened as a result of "friendly and frank" talks between the airline and the Civil Aviation Administration of China in Tokyo.

Mr. Gerry Draper, commercial director of BA, met Mr. Li Shu-Fan, deputy director of the CAAC, and as a result, Mr. Draper said he was hopeful of further inter-Governmental talks soon, aimed at an agreement that would permit such services next year.

Italy and China sign cooperation pact

BY PAUL BETTS IN ROME

ITALY and China have signed a broad economic co-operation agreement aimed at boosting trade between the two countries.

The agreement was signed yesterday by Mr. Li Chiang, the Chinese Foreign Trade Minister, who has just started a week-long visit to Italy, and Sig Gaetano Stammati, his Italian counterpart.

The agreement is expected to be followed by a $1bn (£475m) Italian eight-year credit line to China, to be finalised next month.

During the last five years, Chinese exports to Italy have increased from L75bn in 1973 to some L170bn (£98.8bn) last year. Italian exports to China have risen from L44bn in 1973 to L160bn.

A number of Italian companies, including Fiat and Montedison, are also currently negotiating major deals with China. The Fiat deal envisages the construction of agricultural machinery plants in China worth an estimated $600m.

At the same time, Italy has also agreed to grant a $300m three-year credit line to Romania. This follows talks here between the Italian foreign trade minister and Mr. Vasile Volosenuic, the president of the Romanian Foreign Trade Bank.

Our Singapore Correspondent writes: China has placed a Sing$53.3m (£12m) order for black-and white and colour television sets with Philips Singapore, a subsidiary of the Dutch Philips group. The order is the largest single contract to be clinched by Singapore's electronics industry and follows closely the Sing$20m television sets sale secured by Hitachi Consumer Products (Singapore) last month.

Iran stops order for W. German submarines

By Jonathan Carr in Bonn

IRAN HAS finally cancelled the order for six submarines it placed in West Germany last year—before the unrest which swept the Shah from power.

Although far from unexpected, the news is a severe blow both to the hard-hit German shipbuilding industry and to the branches which keep it supplied. The deal would have guaranteed hundreds of jobs into the 1980s and substitute business will be hard to find.

The six vessels of the 209 class—each of more than 1,000 tonnes and a speed of over 20 knots—were to have been built by Howaldts Werke-Deutsche Werft, part of the Salzgitter Group. The order was worth over DM 1bn (£265m) to the company and several million Deutsche Marks to more assorted sub-contractors.

Salzgitter has now revealed that the order has been cancelled. Talks will be held with the Iranians on compensation payment since some construction work has already been done.

Much the biggest single area of outstanding business between West Germany and Iran—the construction of nuclear power stations—still remains uncertain, though hopes here are far from high.

Kraftwerk Union (KWU), the wholly-owned Siemens subsidiary, feels it will be able to complete the two nuclear power plants already being built in Iran. Construction is far advanced and it is thought unlikely a final halt would be called now.

But there is little optimism over prospects for building four other nuclear power stations in Iran, as envisaged in a letter of intent signed before the Shah lost power. Loss of this deal would be a further serious blow to KWU, which has had no new nuclear power station order either at home or abroad for 3½ years.

● Iran's national airline, Iran Air, has cancelled outstanding options on two Concorde airliners, according to the state radio. Iran Air's £200,000 deposit on the aircraft is expected to be refunded by the UK Government, the Iran Radio report said.

World steel production up 9% in first quarter

BY GILES MERRITT IN BRUSSELS

A SHARP rise in world steel production last month has lifted output to its highest level since October 1974. According to figures published in Brussels by the International Iron and Steel Institute (IISI), crude steel production in March reached 42.65m tonnes which marked an advance of more than 10 per cent on the same month last year.

The IISI, which groups 29 countries but does not include the main Communist producer nations, comments that the latest output figures indicate "the continuing firmness of steel demand in most areas." It notes that for the first three months of 1979 crude steel production rose by 9.2 per cent over the first quarter of 1978, giving a cumulative total of 119.57m tonnes.

But the Brussels-based Institute added that Common Market countries have not shown the same increases in demand as the U.S. and Japan. Its statement notes that the general firmnes is "with the possible exception of the EEC, where the growth rate for the three months was 4.4 per cent."

The figure for the European Community was in fact raised considerably by West German and Dutch performance. Last month, because of the German industry's efforts to catch up on production losses caused by the country's steel industry strike, output increased 13.2 per cent. For the overall three-month period West German steel production rose 6.4 per cent over the same 1978 period, while the figure for Holland was 8.7 per cent and for Belgium 7.8 per cent.

Among those EEC countries where the improvement has been less impressive, the UK registered a 1.6 per cent increase in steel output for the first quarter, while that of Italy was 1.4 per cent, France registered a 2.9 per cent drop in output in March owing to strikes over the rationalisation of the Lorraine steel industry, while the average production rise for the January/March period 1979 was 3.5 per cent.

The 29 countries that report to the IISI account for almost 99 per cent of non-Communist crude steel, and the first 1979 quarter's production rise of over 9 per cent compares with a 1978 rise of 5.6 per cent on 1977. Of non-EEC major producers, the most marked improvement in output for the first quarter of this year was recorded by Japan, with a 12.1 per cent rise. The U.S., together with other important producers such as Canada, Brazil, India and South Korea, chalked up 10.9 per cent.

UK companies hoping to win Mexican power deals

BY WILLIAM CHISLETT IN MEXICO

BRITISH MINING companies are making a strong showing in their bid to win contracts to supply equipment to the first coal mine in Mexico, which will be used to fuel a power station.

MICARE, the Mexican Government's company which is developing the mine at Rio Escondido in the state of Coahuila in northern Mexico, recently received a flood of applications and is now in the process of inviting tenders which are expected to go out in the next two months.

Among the interested British companies are Dowty Mining, Gallick Dobson, F.S.W. and Dosco.

Projected investment to develop the mine is $309m (£155m) of which about 40 per cent will go to buying machinery and equipment — more than Britain's entire exports to Mexico in 1978 which totalled $108m.

Dowty Mining is understood to have a good chance of winning some orders for power-generated hydraulic roof supports. The company stands to gain from the fact that, unlike some other interested firms, it has a joint venture in Mexico. A price advantage of 15 per cent is being given to Mexican companies and also mixed companies where the bid includes at least a 40 per cent Mexican content. Dowty fits into the second category.

The National Coal Board's advisory arm is also trying to win orders for technological and design advice. It faces competition from Kaiser of the U.S. and its French equivalent Sofremines.

The coal mine has identified reserves of 177m tonnes and will supply all its non-coking coal to the nearby power plant being built by the Federal Electricity Commission. The power plant will be in full operation by 1984, generating 1,200 megawatts.

● Mexico doubled the value of its exports to Spain in 1978 and achieved its first trade surplus with its mother country, for a long time.

Exports totalled $114m compared with $56m in 1977 while Mexico's imports from Spain amounted to $94m against $87m in 1977.

The surplus of $19m was achieved because of the oil which Mexico is now exporting to Spain.

PEMEX in oil trade talks with France

By Terry Dodsworth in Paris

A MEXICAN trade delegation is to hold talks with the French Atomic Energy Commission during a three-day visit which began in Paris yesterday.

The mission comes within a few weeks of the visit of M. Valery Giscard d'Estaing, the French President, to Mexico. At that time the two countries signed a trade agreement which included French assistance in the development of the Mexican nuclear industry.

Included in the Mexican party is the head of PEMEX, the national oil company, which will be an increasingly significant supplier to France in the future.

The Mexicans are aiming to step up their oil exports in an effort to redress their trade deficit with France, which amounts to almost FFr 1bn (£1.15bn) — FFr 500m in exports against FFr 1.4bn of imports.

Reuter reports from Washington: The Government of Mexico has decided to purchase 5,000 tractors from the U.S., consisting of 2,500 vehicles from Ford, 1,375 from International Harvester and 1,125 from Deere and Co.

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Ferranti Helicopter firm sold for £1m

By Michael Donne, Aerospace Correspondent

CALEDONIAN AIRWAYS, the parent company of British Caledonian, has bought Ferranti Helicopters, in a deal worth about £1m.

Formerly part of the Ferranti group, the helicopter company, based at Shoreham Airport, Sussex, is to be renamed British Caledonian Helicopters, and will trade as a wholly-owned subsidiary of Caledonian Airways.

The fleet consists of four Bell Jet Rangers, three Bolkow BO-105s and one Bell Long Ranger helicopter, used on contract and general charter work, primarily for executive and business travel. The company has a staff of 26, including pilots.

The Caledonian Airways group plans substantial expansion of the company and will buy more helicopters. Mr. Charles E. Powell, formerly manager of international relations for British Caledonian Airways, has been seconded to the helicopter company as acting general manager.

As part of the expansion, a new base will be set up at Falmouth, Cornwall, in addition to existing bases at Shoreham, Cranfield, Bedfordshire and Edinburgh.

Mr. Adam Thomson, chairman of Caledonian Airways group, said yesterday that the group was committed to a policy of growth and diversification within the air transport and leisure industries.

"The acquisition of Ferranti Helicopters provides the group with a stake in the developing helicopter charter market, and is a logical progression of our aim to be involved in all aspects of air transport."

Mr. Thomson said that all Ferranti Helicopters staff would be employed by the new company.

Other members of the Caledonian Airways group, in addition to British Caledonian Airways itself, are Blue Sky Holidays, Caledonian Hotel Management, which runs hotels in Africa and Spain and Caledonian Airmotive.

The group recently announced a record profit of £12m for the year ended October 31, 1978.

Ashley Ashwood

Mr. Adam Thomson, chairman of British Caledonian Airways, after announcing the acquisition of Ferranti Helicopters.

Councils may bring in supplementary rates

FINANCIAL TIMES REPORTER

BIG PAY increases for teachers and other council workers may force many local authorities to introduce supplementary rates, the Association of County Councils said yesterday.

However, it would not bind itself to new pay settlements if central Government did not make the necessary adjustments in the Rate Support Grants, said Mr. Carleton Hetherington, the association's secretary, speaking on the eve of its executive council meeting in London.

Teachers are seeking a 36½ per cent rise, compared with the 9 per cent offered by the Government. The National Association of Local Government Officers wants a 22 per cent increase.

Jet parking fees row

THE British Airports Authority and Pan American World Airways are to discuss a debt of £4,198 which the authority claims is owed for aircraft parking fees at Heathrow during the winter when jets were snowbound.

A High Court writ will be served on Pan American if the cash is not paid.

Pan American says the fees are unreasonable. "Our own staff had to go out with shovels to clear the snow," said Pan American.

The authority claims the airline is acting arbitrarily in withholding the fees.

Motorcycle registrations increase by 5%

REGISTRATIONS of motorcycles over 50 cc increased by 5 per cent in March compared with the same month last year, according to provisional figures from the Department of Transport.

In March 14,234 motorcycles over 50 cc were registered compared with 13,461 in the same month last year.

There was a slightly higher percentage increase in the number of motorcycles below 50 cc registered. This category increased from 2,979 last year to 3,972 this March.

Registrations of machines under 50 cc came to 9,254 compared with 7,672 last year while registrations of machines over 50 cc fell to 30,448 compared with 33,336 between January-March last year.

Pub managers in closing call

DELEGATES to the annual conference of the National Association of Licensed House Managers are being asked by their executive to support a resolution refusing to keep public houses open after 11 pm.

The union's action is intended to forestall any attempt, because of Common Market membership, to liberalise opening times.

Insurance brokers must have indemnity cover

BY ERIC SHORT

BEFORE ANYONE registers and trades as insurance brokers they will have to be covered by professional indemnity insurance for at least £250,000, according to the latest requirement published under Section 12 of the Insurance Brokers Registration Act 1977.

The rule comes into effect on July 1.

Professional indemnity insurance gives cover against the financial consequences of mistakes. Up to now it has not been obligatory for insurance brokers to be covered, unless they were members of Lloyd's or a professional association.

The insurance must represent at least three times the annual amount of brokerage — the commission from insurers and other sources of income. Brokers will have to produce the insurance policy in order to register.

The order also provides for the payment of grants to those who have suffered loss from negligence, fraud or other dishonesty. The Registration Council, which was set up to administer the Act, can levy members in order to meet compensation payments. The grants would be paid to individual members of the public and unincorporated bodies. But the council can make discretionary payments to corporate bodies.

The Insurance Brokers Registration Council (Indemnity Insurance and Grants Scheme) Rules Approval Order 1979 (SI 1979/408).

BSA launches two mopeds

BY LISA WOOD

TWO 50cc sports mopeds aimed at "the younger generation" have been launched by BSA, the former NVT Motorcycles.

Called the BSA Brigand and the BSA Beaver, the mopeds are the first machines to be produced at the NVT co-operative's Birmingham factory under the trade name of BSA.

Although the designs of the mopeds are exclusively English, most components come from EEC countries. As production builds up, the company intends to manufacture an increasing proportion in the UK.

Mr. Dennis Poore, chairman of BSA said: "Over the past year or so, home demand for mopeds has fallen.

"But we hope that these new machines will help reverse the trend and popularise a method of mechanical transport which is the cheapest known to mankind, both in terms of money and energy consumption.

"This introduction represents one more step in the rehabilitation of the NVT group and our efforts to recreate a motorcycle industry after the catastrophic actions of the present Government in 1975, from which we have not yet fully recovered."

Mr. Poore said that the company would trade under the style "BSA Company" in conclusion of arrangements with the liquidation of Norton Villiers Triumph Manufacturing whereby the NVT group could stay in existence and use the BSA rights and trademark.

Justice police powers plan is odd mixture

BY A. H. HERMANN, LEGAL CORRESPONDENT

A REPORT, *Police Powers and the Prosecution Process*, published today by Justice, contains an odd mixture of recommendations, some plainly common sense, some controversial, and some seemingly based on an experience of life as it was in the good old days we no longer remember.

Justice, the British Section of the International Commission of Jurists, has in the past rendered a valuable contribution to the discussion of law reform, and civil and criminal procedure in particular.

Its present report is not as comprehensive as past publications would lead one to expect because it was drafted as Part One of evidence to the Royal Commission on Criminal Procedure, and consists mainly of comments on earlier evidence by the Metropolitan Police Commissioner and by the Superintendents' Association for England and Wales.

Justice questions that consequences of breaking the rules by police will normally be brought to light and corrected by the courts. Its main recommendations aim at restricting police freedom of action in the pre-trial period. These proposals, controversial at any time, are likely to be more so in the election period.

Recommendations likely to be more generally acceptable include "more use of written cautions when dealing with trivial offences; that fixed penalties — "tickets" — be extended for less serious traffic offences, leaving of litter, and fare-dodging."

In this category falls also the suggestion that overseas visitors be prevented from escaping payment of parking fines by having the front wheels of their vehicles locked until they report to a police station.

A more serious proposal, likely to receive support from many quarters, is that England and Wales cease to be the only European country where criminal prosecution is left in the hands of the police.

Justice proposes a "Department of Public Prosecutions" responsible, like the Procurators Fiscal in Scotland, for decisions to prosecute and prosecutions in all except trivial and routine offences, the line to be drawn by the Director of Public Prosecutions.

It should be entirely independent of the police, have regional offices, be the ultimate responsibility of the Attorney-General, and be entitled to take statements from witnesses and suggest additional lines of inquiry to the police.

The Metropolitan Commissioner devoted 17 pages of his written evidence to difficulties in using tape-recorders to interview suspects or take their confessions down.

He found little in favour of the system, but Justice is all for it. It proposed that police officers carry portable tape-recorders to record immediate reactions of the accused.

This seems to assume that policemen can become more dexterous in using the little machines than experienced newspaper reporters.

Pre-Trial Criminal Procedure. Justice, 95A, Chancery Lane, WC2, £1.50.

Money growth 'is above target'

BY DAVID FREUD

THE TRUE RATE of growth in the money stock has been significantly understated over the last year by the official sterling M3 indicator, according to City stockbrokers W. Greenwell and Co.

In its monthly bulletin published today the firm says that while the growth of money stock has been just within the 8-12 per cent target range in terms of M3, which covers cash and bank current and seven-day deposits, other indicators show it above the range.

In the first five months of the current 12-month target period M3 has grown at an annual rate of 10 per cent.

However, the Greenwell definition of M4, which adds non-bank private sector holdings of tax instruments and Treasury and commercial bills to M3, grew at an annual rate of 12 per cent over the period.

Sterling M5, which also includes shares and deposits held in building societies, grew at an annual rate of 14 per cent.

In the latest three-month period M3 grew at the annual rate of 12 per cent, while the comparable rise in both M4 and M5 was 15 per cent. Over the last 12 months the growth in M3 was 11 per cent, compared with 12 per cent for M4 and 13 per cent for M5.

The firm says that to compensate for the excessive buoyancy, monetary growth needs to be sluggish over the next few months.

The calls on already-sold gilt-edged stock are a major factor working in the right direction, it says. However, a likely large central government borrowing requirement in the month to mid-April and the recent inflow of funds from abroad, which is likely to percolate through to the money supply, are factors working in the opposite direction.

Together with recent strong loan demand and improved financial confidence, this means that the tendency for monetary growth to give cause for some concern is likely to continue.

UK NEWS

Sasse plan put to Lloyd's

BY JOHN MOORE

A GROUP of eight Lloyd's of London underwriting agency companies met yesterday at Lloyd's to explore ways in which the Sasse syndicate can be helped to meet its £13.6m losses.

The eight agents had introduced more than 90 of the names to the 110-strong syndicate.

At the conclusion of yesterday's meeting they came to a decision on whether they should themselves pay the interest on a £7m loan facility granted to the syndicate by the ruling committee of Lloyd's.

A proposal is to be submitted to the committee and a meeting of the syndicate is likely to take place next week.

Late yesterday many members of the syndicate did not know the outcome of the meeting.

But Mr. J. Benjamin, leader of the syndicate's action committee—which is planning to sue the Lloyd's committee unless more positive action emerges within Lloyd's to help the members of the syndicate—said that "we consider the proposals so far of the committee of Lloyd's to be unrealistic and unfair."

The members of the syndicate are angry that they are having to pay interest charges on the £7m loan facility under the conditions imposed by Lloyd's.

The agents were discussing yesterday whether they should offer to pay the interest payments on any loan which the members may take up, and if they offered this facility whether it should be offered as an interest-free loan, an interest-bearing loan, a gift, or even arranged at all.

On another front, the Lloyd's internal inquiry into the affairs of Brentnall Beard, the insurance broker which produced the North American fire and damage to property insurance that led to £10.6m of the total losses for the Sasse syndicate, is nearly complete.

A report is expected to be presented to the committee of Lloyd's within two or three weeks.

Plan to quicken airport systems

By Michael Donne, Aerospace Correspondent

THE WORLD'S airlines are planning a major campaign to make life smoother for their passengers and cargo shippers.

Mr. Knut Hammarskjöld, director-general of the International Air Transport Association, which represents more than 100 of the world's biggest scheduled airlines, said in Montreal that with passenger traffic expected to rise, on average, by 8 per cent a year through the early 1980s, it was necessary to streamline handling techniques.

He told the International Civil Aviation Organisation (the aviation technical agency of the UN) that this growth would bring virtual saturation of many existing airports, so that the streamlining of procedures would probably be the only way of coping.

The airlines would try to eliminate such obstacles as immigration and customs controls, long regarded as a "black spot" in passenger handling. Efforts also would be made to simplify and quicken security checks.

The airlines, said Mr. Hammarskjöld, would seek the national bodies concerned with tourism, trade, business and consumer interests, in developing and implementing an "action programme" to improve the flow of passengers and cargo.

On-the-spot discussions would be held with government bodies and airport officials at local, national and regional levels. It was hoped all would co-operate in view of the substantial potential benefits to be gained.

Accounting standards group needs 'reinforcement'

BY DAVID FREUD

THE Accounting Standards Committee would be strengthened by including eminent people from outside the profession, says the Institute of Chartered Accountants.

The institute calls for an improvement in the committee's stature so that it can assume a "senatorial" role, a bigger and better secretariat and closer ties with the council for the securities industry.

The institute believes that the Stock Exchange and the CSI should join with the accounting profession in playing a greater role in monitoring accounting standards, "thereby strengthening the effectiveness of self-regulation to the benefit of all concerned."

The institute argues that if the ASC offered a limited number of seats to eminent people from outside accountancy, standards would become more readily acceptable to business.

Given the importance of the ASC's "senatorial" role, says the institute, its members must be relieved from the scrutiny of technical detail.

The institute believes this will only be possible if the secretariat is headed by a very senior executive with substantial technical and management experience and if the support staff is expanded to match the need for proficient drafting.

The institute recommends that position papers should be published explaining alternative methods open to adoption in future exposure drafts and public comment sought before single options are eventually proposed.

Pension rights after changing jobs

By Eric Short

PEOPLE WHO change jobs should not expect the same pension as they would receive if they worked for the same employer throughout their lives.

This view was given by the Society of Pension Consultants in its evidence to the Occupational Pensions board on the rights of pension scheme members after changing jobs.

The society said that any proposal to improve the protection of pension rights on changing jobs must take into account the cost of such improvements and who was going to meet them. It would be harsh to put the cost on the former employer, but also unfair to place the full burden on the new employer.

Still vestigial Stock Exchange quote for English property

BY CHRISTINE MOIR

ENGLISH PROPERTY CORPORATION will continue to have a vestigial quote on the London Stock Exchange despite an overwhelmingly successful offer from Olympia and York, the private Canadian company owned by the Reichman brothers.

At the special meetings called yesterday to facilitate the technicalities of the bid, a group of institutions refused the offer for the 12 per cent convertible loan stock, and voted against the customary capitalisation issue of Ordinary shares which is an accepted scheme for saving stamp duty.

Olympia and York will, therefore, have to pay full stamp duty on purchase of EPC, amounting to £½m.

It will be required to retain the listing for the 12 per cent stock, which carries conversion rights into what will now be unquoted Ordinary shares up to 1984.

The early repayment dates in 1979 and 1981 will no longer apply, and Olympia will not be required under Bank of England rules to replace the loan with foreign currency

The group of institutions, headed by Electricity Supply Nominees, had said that the offer by Olympia for their 12 per cent loan stock did not reflect the value of the right to convert into Ordinary shares.

In the light of the increased offers for the ordinary, they believed that the equity element in the loan stock had also increased.

The threat, carried out at yesterday's meeting, to withhold authorisation for the stamp duty-saving scheme, was a tactical move intended to persuade Olympia into a higher offer for the loan stock.

Fairey group makes £5.5m profit under NEB ownership

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE FAIREY group of engineering companies, which is considered one of the most likely candidates for a return to the private sector in the event of a Tory General Election victory, made a trading profit of £5.48m in its first year under National Enterprise Board ownership.

Trading profit as a percentage of average capital employed equalled 26.3 per cent in the year to December 31, 1978, comfortably exceeding the financial guidelines laid down for the NEB as a whole. Turnover was £43.54m, making trading profit 12.6 per cent of turnover.

There are no comparable figures for earlier years, because the group did not exist in its present structure before January 4, 1978, when the NEB purchased certain assets of the old Fairey Company from the receiver. But Mr. Angus Murray, chairman, reports that an analysis of individual group companies suggests that both turnover and trading profits are a significant improvement.

The profit has been struck before extraordinary items totalling £2.32m are deducted, these being the cost of closing the Tress engineering subsidiary and other disinvestment. The group does not plan to pay a dividend to the NEB.

More than half the assets of the group are employed at Fairey Engineering, based in Stockport, which makes defence equipment and products for the nuclear industry.

Go-anywhere bus fares frozen

THE PRICE of a day's unlimited bus travel through much of England and Wales has been frozen by the National Bus Company at £2.40 for adults and £1.50 for children under 14. These prices will be retained at least through this year's holiday season.

The "Wanderbus" tickets allow almost unlimited movement on more than 12,000 green and red buses

Islamic series starts well with Kevorkian items

BY ANTONY THORNCROFT

SALEROOM

BY ANTONY THORNCROFT

FOLLOWING THE upheavals in Iran, Sotheby's must have approached its annual series of Islamic sales this week with trepidation and marked estimates down somewhat on those of past years when Iranian dealers, and the Shah's family, were active buyers. In the event the cautiousness was unnecessary for the first auction totalled £511,696 with only 1 per cent bought in.

The reason for the good results probably was that the items yesterday morning consisted of oriental manuscripts and miniatures from the Hagop Kevorkian Fund. Kevorkian, a noted archaeologist had formed one of the best collections of oriental art, so the provenance was excellent. The top price was the £90,000, plus the 10.8 per cent buyer's commission and VAT, paid by Spink for a leaf from the "Demotte" *Shahnama (Book of Kings)* produced in Tabriz between 1330-1350. This is one of the last leaves of this most important illuminated manuscript in private hands. The price compares with the £100,000 for a similar leaf sold last year.

Doorstep pollsters must prove identity

By James McDonald

A NEW safeguard for housewives who worry about door callers representing themselves as pollsters for any particular organisation, but who may be criminals seeking to ransack the household, has been introduced by the Market Research Society.

The caller can be asked for proof of indentity and he or she must produce an identity card, showing picture, name and signature and telephone numbers, including the local police station, to call for proof of identity.

This move by the society, representing most bona fide market research organisations in Britain, is designed to reassure householders that the caller is a bona fide investigator and not a minor criminal preparing a burglary.

About 30,000 cards have been issued so far and police in London yesterday welcomed the scheme.

Mr. Peter Neivens, deputy assistant commissioner of the Metropolitan Police and director of information, said that the Market Research Society's initiative was "a positive step to inhibit the increasing activity of the doorstep manipulators and criminals."

Refuse tip story cleared

A NEWSPAPER REPORT of a woman searching a rubbish tip for lost savings stamps caused her embarrassment and was inaccurate, the Press Council was told. She claimed that the reporter who telephoned her about the story did not disclose his identity.

The Council found that the complaint against the Cumberland Evening News and Star had not been made out. The paper reported that Mrs. Mary Hind, of Herbert Street, Carlisle, dashed to the rubbish tip believing she had put £100 electricity savings stamps in the dustbin. She later found them in her car.

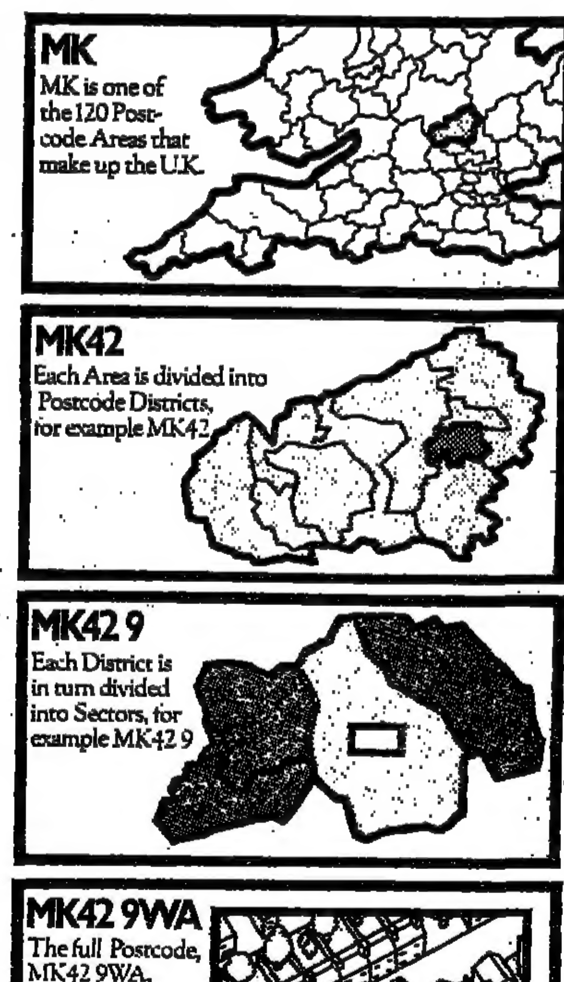
She told the Press Council her telephone-caller said he was "Andrew Leitch, Civic Centre," providing a statement by her daughter, who first took the call, that the caller did not reveal his identity.

Mr. J. V. Addison, the Editor, said that Mr. David Guide, acting news editor, was with Mr. Leitch when he rang Mrs. Hind, and heard him give his name and paper. He then mentioned the Civic Centre, from which the information came.

The adjudication found "a genuine conflict of recollection of what was said."

Deputy Governor leaves £27,975

SIR Maurice Henry Parsons, KCMG, of Tigbourne Cottage, Hambledon, Surrey, Deputy Governor of the Bank of England from 1966 to 1970, who died on July 24 last year, aged 68, left £27,975 gross, £26,719 net.



UK NEWS

Rolls chairman calls for co-operation and better productivity

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE NEED for improved productivity at Rolls-Royce, with better co-operation between managers and workers and "less bloody-mindedness all round," has been stressed by Sir Kenneth Keith, chairman.

In a speech to a recent meeting between himself and shop stewards Sir Kenneth said that the company's performance in all areas "is nothing like good enough.

"The principal key to a sure future is improved productivity—and trying to obtain increased productivity is like walking through oil, mainly due to inflexibility and to lack of co-operation on the part of some of you.

"Our costs are so high that there is very little difference between them and the price our customers are prepared to pay. Nor is our performance on delivery as good as it should be.

"Our customers will not continue to buy expectation in preference to performance, any more than you would when you buy a new motor car. Our customers have a choice of two other engine manufacturers, both highly competitive and highly competent and both located in the U.S."

Complacency

Sir Kenneth said the company had three options.

"First, we can follow the pattern that much of British industry seems to have followed in recent years—pretend that we do not live in a highly competitive world, press for the maximum reward for the minimum of effort, and blame everyone else but ourselves for our failures.

"Second, we can continue pretty much as we have in the past: over-manned and inflexible, relying too heavily on promises to our customers, less vigilant than our competitors about the delivery and profitability of our product.

"The result would be less immediate but no less certain in the longer term: our performance would not match our promises, we would be starved of cash to invest in our future, and our final demise would be dragged out only by the demand for spare parts for our existing engines. This I regard as a hideous and unacceptable possibility.

"Our third course is to accept the full challenge of the opportunity we now have in our hands—the opportunity of a large but hard-won order book backed by the short-term stability of the Government financing package.

"Accepting this challenge means accepting the necessity for real change in the way in which we operate, greater flexibility in our methods of production, better co-operation between managers and those whom they seek to manage, greatly improved productivity, and less bloody-mindedness all round.

"The result would be regained customer confidence, a greater share of the market, and sufficient income to invest in research, new plant and in higher wages. It would mean a secure and prosperous future for all concerned.

"The national image overseas is on the whole bad—strikes, poor workmanship and bad deliveries. No wonder Boeing executives ask the question 'Can the Brits deliver?'.

"The Rolls-Royce image is fortunately much better than most of British industry, but if if we fail Boeing, we will not get another chance and the eyes of the world's aerospace industry are upon us."

● The National Enterprise Board, which holds all of the Rolls-Royce shares on behalf of the Government, has appointed Mr. John Williams to be the head of the Rolls-Royce Support Staff in the NEB. He succeeds Mr. Robert Lickley, who retires on April 30.

Mr. Williams was formerly deputy chairman of Lucas Aerospace Holdings before being seconded to the NEB in April last year. He is head of the BL Support Staff in the NEB, and he will combine this post with that of head of the Rolls-Royce Support Staff.

The post involves close liaison with the Board of Rolls-Royce, and particularly the chairman, Sir Kenneth Keith, to ensure that all the company's policies are fully understood by the NEB, and that the company also understands the Government's attitudes.

Mr. Lickley has been with the NEB since 1976. Previously he was assistant managing director of Hawker Siddeley Aviation for 11 years.

Police reopen directory probe

FINANCIAL TIMES REPORTER

INQUIRIES INTO bogus trade directories are being reopened by Scotland Yard after suggestions that the publishers of some of them may have escaped prosecution.

Many businesses have been tricked by claims of wide publicity for their products both in the UK and abroad, if they advertise in a buyers' guide or directory.

Promises of large-scale distribution of such directories often fail to be met; either only a few copies are printed or they are mailed to people unlikely to be interested in the products advertised. Sometimes, exceptionally, they are never printed.

Scotland Yard has now launched a secret inquiry to find whether some of the "back street" publishers, who often change their addresses, may have tried to hinder studies of their activities.

The Yard probe, which is being conducted by senior officers in its Complaints Investigation Bureau, under Commander John Cass, is likely to last several months.

It follows suggestions that one phoney trade-directory publisher had made cash or other offers to a Scotland Yard officer to try to have inquiries against him dropped.

The matter was promptly reported to superior officers. As a result several officers who have worked in the Fraud Squad or other sections of the police are likely to be asked whether there have been similar approaches.

The inquiry will go back 15 years in order to establish the full extent of any possible corruption bids. Some officers who have now left the Yard may have to be interviewed.

The dividing line between bogus trade directories and those which are merely ineffective in very narrow. It is recognised within Scotland Yard that some officers may in the past have taken the view that public time and money ought not to be spent on lengthy inquiries, where successful prosecutions were unlikely to emerge although the need to keep constant check on the deception of businessmen is always accepted.

Bona fide trade directories are not involved in the Yard inquiries.

Sir Leon Bagrit dies at 77

SIR LEON BAGRIT, former chairman of Elliott-Automation, has died aged 77.

For 10 years until 1973, under Sir Leon's control, the company handled 60 per cent of the British market for automatic control valves, heating and ventilating controls.

At one time the company manufactured most of Britain's coin-operated telephones and handled much of the systems engineering and hardware for Richard Thomas and Baldwins' Spencer Works in Wales (now the Llanwern works of British Steel Corporation).

He urged governments in the 1960s to give companies generous tax incentives in order to re-equip, re-model and re-build their plants, backed with a full-scale government campaign of training and advice.

Training and re-training, Sir Leon said, was vital. "The pace of technical change is so fast that we must be prepared for a man to change not only his job, but his entire skills, three or four times in a lifetime."

Sir Leon was the son of Russian emigrés and arrived in Britain aged 12. He attended London University, supporting himself by playing the violin in the London Philharmonic orchestra. At 33 he established a precision engineering firm, later bought by Elliott.

He leaves a widow and two daughters.

Britain's first fashion fabric show starts at Earls Court

BY RHYS DAVID

BRITAIN'S FIRST comprehensive fashion fabric exhibiiton, Fabrex, opens at Earls Court, London, today.

The exhibition will bring together several shows previously held at other venues in London by the British Fabric Association, Fabrics from France and other groups. Altogether 140 companies are taking part, with displays from Austria, Italy, Holland, Poland, Scandinavia, Spain, Portugal, West Germany, Switzerland and France.

Courtaulds is holding its own fabric show at Hanover Square, London.

Fabric shows are held frequently on the Continent, and they play an important part in determining the styles and cloths which the fashion industry in Europe and elsewhere will use.

Britain, however, has lagged behind although garment and specialist fabric exhibitions are held occasionally.

The new exhibition, sponsored by Philbeach Events, follows a year when imports of fabrics into the UK, particularly from other developed countries, have been rising rapidly, giving Britain a net deficit in textiles (as well as clothing) for the first time ever.

Products

The exhibition is seen by UK manufacturers as a very important opportunity to demonstrate to UK and foreign garment-makers, the products available.

Another textile exhibition, Texprint, which aims to show the best in British design will be held at Courtaulds London showrooms from September 11 to 13. It will present the latest collections from more than 50 professional designers and design groups as well as ideas from 30 of the most promising young graduates, selected design courses.

Organised by the Design Council, in conjunction with the Society of Industrial Artists and Designers, Texprint will be co-sponsored by Carrington Viyella, Courtaulds, ICI Fibres, Marks and Spencer and Tootal.

● The first international conference on automatic inspection of fabrics will be held at the Shirley Institute Manchester, on May 17. Automatic inspection, which has been the subject of numerous trials over the past decade, was given a major boost three years ago with the installation in the U.S. of Laser scanning equipment capable of inspecting cloth at speeds of 250 metres a minute.

The conference will present a review of developments in the field by experts from the U.S., Germany and the UK.

CONTRACTS

Kenya buys £4m bogie wagons

BRITISH RAIL ENGINEERING has won a £4m contract to supply 110 bogie hopper wagons for Kenya Railways. The order, negotiated by BRE-Metrol, the joint exports sales company of British Rail and Metro-Cammell, follows a £40m contract in 1977 to supply wagons and locomotives. The wagons will be manufactured at British Rail's Shildon, Durham, engineering works.

★

ERCO INDUSTRIES, a subsidiary of Albright and Wilson, is to supply a £4m chemical preparation plant for a new pulp mill in Argentina. The plant, which will include production equipment for sodium chlorate, a chlorine dioxide generation unit and other bleach chemicals handling systems, has been ordered by the Argentine-based Alto Parana. The pulp mill is due to be completed in 1981.

★

A contract worth about £3m has been won by the Bradford-based major products division of N. G. BAILEY for the power and instrument cabling at B.P.'s oil reception centre at Sullom Voe in the Shetland Islands.

★

SMITHS INDUSTRIES has received a contract worth £500,000 from British Aerospace for flight deck instruments for the BAe 146. The contract covers a range of products including Mach airspeed indicators, servo counter-pointer altimeters, stall warning detector units, standby compass, servo engine speed indicators and servo gas temperature indicators.

★

An order worth £1m for Scotch 400 quad videotape has been placed by the BBC with 3M UNITED KINGDOM.

More contracts, Page 13

UK—ELECTION NEWS

Thatcher personality attacked

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MR. DENIS HEALEY, Chancellor of the Exchequer, strongly attacked Mrs. Margaret *Thatcher's personal fitness to be* the next Prime Minister.

Mr. Callaghan discouraged personal attacks on the Tory leader when he gave his pre-election briefing to the Parliamentary Labour Party.

Mr. Healey sidestepped that restriction neatly by saying that he was not giving his own assessment of Mrs. Thatcher's character and ability, merely reporting the "unprecedented nervousness" in the Conservative Party about the possibility of her winning the election.

"People are sceptical about the honesty of Conservative policies because the sums simply *do not add up. And,* increasingly, they are uneasy about the personality of the Conservative leader.

"Anxiety, amounting perhaps *to panic, is developing inside* the Conservative ranks and they are now retreating from some of the promises they made in the manifesto."

Mr. Healey said that an orchestrated attempt had been made in Conservative-leaning national newspapers to allay fears about Mrs. Thatcher's suitability to become Prime Minister.

The oddest had been a leading article in *The Daily Telegraph* yesterday implying that people should not worry about Mrs. Thatcher's radicalism because she would be a "pushover" for the civi lservants when she came to power.

The Chancellor took further his attacks on Conservative economic policy.

In addition to tax cuts amounting to £4bn a year must be added a promised cut in the Public Sector Borrowing Requirement of perhaps £1bn and substantial increases in the defence and law-and-order budgets of perhaps £2bn.

That added up to £7bn a year to be financed from a shift to indirect taxes or cuts in public spending, such as in welfare benefit and aid to industry.

Mr. Healey said that the next Labour Government would "take 1m people out of the tax system altogether by increasing tax thresholds."

It would pay for that by tightening control over the public sector, partly by raising indirect taxes and partly by increasing taxes on companies "in ways which do not affect jobs."

Tories branded as 'dear food party'

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN last night reinforced Labour's offensive against the Tories on prices, *branding* them as the "dear food party."

Speaking in Wandsworth, he focused his main attack on the Tory proposals to devalue the EEC *green pound* as "*foolish*, costly and unnecessary."

The effect on the shopping basket would be to increase the price of butter by 12p a lb, cheese by 11p, sugar by 3p, bacon by 4p, and beef by 7p. Bread would go up by 1½p a loaf.

"The Tories would let the European agricultural lobby walk all over them.

Mr. Callaghan pledged: "Labour will fight for the *housewife and the family* at Brussels."

He said that in the lifetime of the next Parliament, Britain would have a better chance of ridding consumers of a European agricultural policy which deliberately encouraged high food prices.

But, Mr. Callaghan added, it was not only food prices that would go up to pay for all the Tory promises.

Mrs. Thatcher, though denying she would double VAT, had admitted that it would be necessary to put up prices to pay for income tax cuts.

"Well, how much then? *And what about the millions* who will get litle or no tax reductions—how will they afford the higher prices?"

Mr. Callaghan snapped: "It is no answer to be cuddling a calf in a field. People want to be sure they are not buying a pig in a poke."

Mr. Callaghan reminded his audience that Labour had more than halved the rate of inflation in the past three years. Its priority in the next three years would be to halve it again. "That is the sure way to protect the family budget and to safeguard jobs."

A united national effort *would be needed with maximum* co-operation from industry and the unions, he said.

"We will not succeed if there is a general atmosphere of confrontation in this country but, if we work together and we can succeed, everyone will be better off."

Mr. Callaghan earlier yesterday urged party workers to go on the offensive against *the* Tory prices' policies, when he visited the Conservative marginals of Uxbridge and Hounslow, Brentford and Isleworth.

ON THE STUMP

Sheer enjoyment on the hustings

BY JOHN HUNT

IT IS 8 am and a steady stream of Monday morning commuters are trudging towards the railway station at Davenport, one of the more prosperous parts of Stockport. Mr. Tom McNally, the Labour candidate for Stockport, South, is handing out leaflets with a cheery smile in spite of having stood there in a chilling wind since 7 am.

This is a drastic departure for Mr. McNally, who for the *past three years has been* comfortably ensconced in his office at 10, Downing Street as Mr. Callaghan's political adviser. In spite of more than a decade in politics and the service of the party national campaign Committee during the past two elections, this is the first time that he has fought a seat himself.

Watching him operate it is hard to believe that he is not a veteran of the hustings. As one Liberal worker canvassing across the street observed yesterday: "Tom is the complete politician."

He admits enjoying himself immensely and declares: "What more can a man ask for—lots of fresh air and plenty of walking?"

Stockport, South, seven miles from Manchester, is no cinch for Labour, although it does not rank as a marginal. For 15 years it was held by Mr. Maurice Orbach, an old-time Bevanite, whose majority at the last election was 4,220.

There was quite a battle at the selection last year, with a left-wing faction in the local party bitterly opposing him on the ground that he was a Right-winger, which he denies. Now, however, his sheer professionalism and amiable personality have won the respect of the local party.

Yesterday he listened as the booking clerk at Davenport station showed him his pay slip *and complained that his net* take-home was £45 a week. A fervent Labour supporter? "No, I'm a Liberal," came the indignant rejoinder.

Then off to a lunch-time factory gate meeting with Mr. Andrew Bennett, Labour MP for the highly marginal constituency of Stockport North. In despite of the efforts of a shop steward, a mere seven workers from the 250 employed in an engineering plant came out for a chat.

Although Labour stalwarts, their views, which made Mrs. Thatcher sound like a milk-and-water liberal, must have alarmed the two candidates.

The workers demanded a hard line on social security scroungers ?' you see 'em drinking their whiskys in the local pub, don't you?"; capital punishment for terrorists; and the birch for vandals and muggers.

As Mr. McNaly observed, factory gate meetings are not what they used to be.

Terry Kirk

Tom McNally: Fresh air and exercise

Liberals 'expect to win 20 seats'

BY JOHN LLOYD

MR. DAVID STEEL, the Liberal leader, gave a hostage to fortune yesterday when he said that he expected a mini- of 20 Liberal MPs in the next Parliament.

Mr. Steel, addressing the Liberal press conference, said that the polls had shown a slight increase in general Liberal support, but a polarisation towards the two major parties in Labour/Conservative marginals.

However, in constituencies *where the Liberals* were running a strong second, there was a swing towards the party. Because of this, he expected between 20 and 50 Liberal MPs to be returned.

The party was fielding 570 candidates, fewer than the 617 in October, 1974, but above the number which had been earlier expected to stand this time.

If the Conservative Party won a majority, the Liberals could co-operate with it on the basis of tax and trade union reform.

Co-operation on pay policy "is still a possibility," though he claimed that Mrs. Thatcher had misrepresented the Liberal position on pay: the party was not in favour of fixed percentage increases.

Mr. Steel said that both the major parties were "inflation mongers."

"They promise the earth at elections and pay for it by printing money."

Inflation had fallen only once during the last decade—during the Lib-Lab pact. The Liberal Party had been "largely responsible" for the fall, and had withdrawn from the pact when it became clear that the Government was no longer prepared to control inflation.

"Once we ended the pact, excessive wage increases were allowed through and now inflation is on the way up again.

"And that's the story of inflation: up under the Tories, up under Labour, put down when a determined group of Liberals had the power to make the Government behave responsibly."

● Later, in a speech in Mr. Clement Freud's constituency of the Isle of Ely, Mr. Steel accused his two rivals of being "patronising and offensive to the intelligence of the voter.

"You would think we were being offered a choice between fish fingers and beefburgers," he said.

● Development areas are likely to lose out under a future Conservative government, Mr. Jeremy Thorpe, the former Liberal leader, told a meeting in Atherington, North Devon, last night. "In other words, under a Tory Government it would be more *difficult to attract new industry* that an present."

● Mr. David Penhaligon, Liberal candidate for Truro, said that Britain's levels of income-tax were *killing effort* and enterprise.

"It is a disgrace that a significant percentage of the working population would be *better off unemployed.*"

● Mr. Richard Wainwright, Liberal MP for Colne Valley, said that the reform of Government would require neither a 3 per cent growth rate nor the "fantasy of easy cuts in public expenditure."

Roger Taylor

Mr. Benn and Mr. Callaghan: quiet approach and a watchful eye.

Benn offers low-key energy statement

BY IVOR OWEN

UNDER Mr. Callaghan's *watchful eye, Mr. Anthony* Wedgwood Benn, the controversial Energy Secretary, was permitted a fleeting appearance at the Labour Party's election *Press conference at Transport* House yesterday.

It was a low-key performance, with the usual emphasis on the need to maintain a resolute *stand against the continuing* attempts by the EEC Commission to gain control over Britain's energy resources.

But hardly a word fell from Mr. Benn's lips to provide fresh ammunition for the intensive campaign by Conservative propagandists to portray him as the most dangerous of extremists, poised to thrust Mr. Callaghan aside in a leftwing takeover.

His opening statement and replies to questions were contained in some 20 minutes—*ostensibly to ensure that he was* able to catch the aircraft taking him to a subsequent engagement in Liverpool.

And when the questioning *turned to nuclear policy, the* Prime Minister seized the opportunity to intervene to point out how he exercises control over individual Ministers *through the co-ordinating* procedures embodied in the Cabinet committee system.

Mr. Benn made no attempt to enlarge on his assertion, in the initial stages of the election campaign, that a vote for Labour would be a vote against the EEC in its present form.

He even volunteered the fact that, under his leadership, *Britain had co-operated* "very strongly" with the EEC in improving energy research and development, in new arrangements for coking coal, loans made under the Euratom treaty, and in oil sharing.

Readiness to co-operate in these areas, Mr. Benn stressed, did not lessen the Government's determination that Britain must retain control over her energy resources.

He went on to warn that, should the Conservatives be returned to power on May 3, the action taken by the Government to ensure that the nation derived the main benefit from North Sea oil would be overturned.

A Conservative government, he said would hand power back to the oil companies and give the EEC increasing control over Britain's energy resources.

Mr. Benn reaffirmed that, under Labour, Britain would continue to resist the efforts by the EEC Commission to control refinery throughput, prevent all *North Sea oil being landed in* the UK, and to interfere with the arrangements made by the off-shore supplies office to give British firms an adequate share *of the equipment market.* challenge from the EEC. scheme, which helped British manufacturers to get a much greater share of the world market, was also under challenge fro mthe EEC.

"These are areas where we have been taking a fairly resolute line," said Mr. Benn.

Land purchase plan

BY IVOR OWEN

ARMED WITH an adequate majority, a new Labour Government would take early action to change the basis on which compensation is now paid for land acquired under the Community Land Act — and substantially reduce the amounts involved — Mr. Peter Shore, the Environment Secretary, indicated yesterday.

He told the Labour Party election Press conference that *full implementation of the Act* would be accelerated at the earliest opportunity.

The basis of compensation can be changed — from market *value to current use value* — by using the existing provisions of the Act which allow such a switch to be made from "an appointed day" to be decided by the Minister.

Mr. Shore maintained that a reasonable start had been made in administering the Act but admitted that the "push of a political victory" was needed to give it added impetus.

He attributed the fall in house building in the public sector to the fact that Conservative controlled local authorities were failing to make *full* use of the resources allocated to them by the Government.

There was a "ludicrous situation" of underspending of *money provided by the Govern*ment not only for this year but for next year as well.

Election deposits 'not high enough'

THE RETURNING officer in Mr. Jeremy Thorpe's North Devon constituency—where a record nine candidates are fighting the General Election—last night attacked the £150 deposit as "totally inadequate."

Mr. Dudley Squire said the fact that nine candidates have decided to contest the seat "proved to me that the low deposit of £150 is totally inadequate for this day and age."

The former Liberal leader faces a challenge from Conservative, Labour, Ecology and National Front candidates and also from four independents, including columnist Auberon Waugh, representing the *Dog Lovers'* Party, and Commander Bill Boaks, for Public Safety, Democratic Monarchist, White Resident.

The previous highest number of candidates for a single seat in a general election was six. Nominations for the May 3 poll closed yesterday.

Elsewhere, Brendan Gallagher is representing the Troops Out Party in the Barnsley seat held by Mr Roy Mason, Ulster Secretary.

There is a four-sided contest in Dunbartonshire East, where the SNP's Margaret Bain is defending her 22-seat majority—the smallest in the last Parliament.

Mr. David Ennals, Health and Social Services Secretary, faces a challenge from six other candidates in his Norwich North seat. Seven candidates are contesting the Southwall seat of Mr. Sydney Bidwell, former chairman of the Tribune Group and Battersea North, held by Mr. Douglas Jay, the former cabinet minister.

Mrs. Margaret Thatcher and Mr. David Steel both face four-sided contests.

CRITICISM BY the Confederation of British Industry of Labour Party plans to strengthen the Price Commission was dismissed yesterday by Mr. Roy Hattersley, Prices Secretary.

The CBI had "always been emotional and sometimes hysterical" about price controls and warned that they would cause bankruptcies and unemployment. But Mr. Hattersley insisted that the Labour Party proposals would do nothing to damage investment or employment.

THE Royal Society for the Protection of Cruelty to Animals yesterday took the "almost unprecented" step of endorsing Labour Party manifesto pledges to introduce new measures to safeguard animal welfare. Conservative workers in Wavertree, Liverpool, have designed special *pro-Tory labels to stick on* dogs' backs.

. . . But it would appear that not all dogs are supporting the Conservatives. Mr. Peter Rost, who is seeking re-election in South East Derbyshire, has been bitten by a dog owned by one of his supporters.

MRS. SANDRA Edwards, Conservative candidate for Swansea East, was banned from attending a lunch addressed by Mr. Edward Heath in her own constituency yesterday—because the Swansea Chamber of Commerce and Shipping lunch was held in the all-male City and Country Club.

THE National Front is to complain to the BBC and the Press Council over what it claims is a campaign by "subversives and Commies" in the National Union of Journalists and broadcasting media to suppress its views during the election campaign.

BISHOP MORLEY, of Farnham, Surrey, is not expected to vote in the general election even though his name is on the electoral roll—for the bishop, famed for his help in *restoring the monarchy* in the 17th century, died in 1684.

How Bishop Morley's name got onto the electoral roll is a mystery but the Bishop's cottage in the grounds of Farnham Castle is now used by students attending courses at the Castle.

Textile jobs 'at risk'

BY RHYS DAVID, NORTHERN CORRESPONDENT

TWO SENIOR Labour Ministers yesterday tried to rally support in the key North-west marginals with a warning that protection for the textile industry — and jobs in it — would be seriously undermined by a Conservative Government.

Mr. John Smith, Trade Secretary, speaking in Manchester, pointed to the important role the Government had played in shaping EEC textile policy, and in demanding tight restrictions on imports from low-cost sources.

Renegotiation of the GATT Multi-Fibre Arrangement — the treaty which covers world trade in textiles — had been the cor*nerstone of Labour policy for* textiles and had resulted in agreements which brought under control 98 per cent of low-cost imports of 123 different products.

Labour had also made sure that restrictions were tightened on Mediterranean suppliers outside the MFA, and had won a good deal in the recent GATT multilateral tariff negotiations.

"Mr. John Nott, the Conservative trade spokesman, affects to support the MFA, but qualifies his support by references to free and fair competition. They also say they oppose protection for so-called inefficient producers—exposing a lack of knowledge of the investment which has taken place in Lancashire

"*The truth is that they are* free market men and would not fight as we have done for the livelihoods of the employees of the textile industry," Mr. Smith said.

Earlier, Mr. Joel Barnett, Chief Secretary to the Treasury, whose own seat at Heywood and Royton could be vulnerable to a sizeable swing to the *Tories and a big drop in* Liberal support, had claimed that Conservative economic policies insulted the intelligence of voters.

They *were claiming that* because of tax cuts, everyone would work harder and more small firms would be set up, helping to create more jobs. The size of the proposed tax cuts would not achieve either objective, but *public expenditure* cuts would result in the loss of many thousands of jobs.

Bread-and-butter issues dominate campaign

Wales prepares for four-way battle

BY ROBIN REEVES, WELSH CORRESPONDENT

THE OVERWHELMING rejection of the Welsh Assembly in the referendum has not quite made devolution the great unmentionable in the election campaign in Wales. But it is taking very much the back seat in competition with the bread-and-butter issues dominating the media and hustings in the UK generally.

On the few occasions the subject of devolution is raised, Labour candidates say that of course they accept the verdict of the Welsh people. The Conservatives stress that they were the only party to judge the mood of the Welsh people correctly, the Liberals say they would like to see it dealt with as part of a federal structure for all the UK and the Nationalists argue that Wales only rejected a toothless talking shop.

For all that, May 3 will be important in determining whether devolution is a dead duck for the foreseeable future and even whether the distinctive features of the Welsh political scene are still intact.

In short, these are the threat to the established political order posed by Plaid Cymru, which turns many constituencies into four-cornered fights, and Wales' *legendary allegience to the* Labour Party. Labour holds 22 of the 36 Welsh seats, many of them with massive majorities.

At the last election, it secured nearly 50 per cent of the overall *Welsh vote.*

Undeterred by the referendum result, the Nationalists are contesting every seat, including the Cardiff West constituency of the Speaker, Mr. George Thomas.

Their slogan is "Plaid Cymru fights for you." There is little mention of self-government. The emphasis is on the benefits which the party's independent voice in the last Parliament secured for Wales and Welsh constituencies and the threat of further coal and steel closures and general economic neglect unless this voice is strengthened.

Even the party's political opponents concede Plaid is virtually certain to retain two of its three Westminster seats, *namely Caernarfon and Merion*eth, whatever Plaid's performance nationally.

Carmarthen, the constituency of Plaid's veteran president, Gwynfor Evans, is more problematic. His 3,640 majority in October 1974—he lost by three votes in February—was greatly boosted by tactical support from Liberal and Conservative *supporters wishing to oust* Labour. A return to formal allegiences could undermine his majority, though against this, Plaid has the best constituency *organisation, with three full*-time staff and a large band of enthusiastic workers.

But to retain its credibility, Plaid needs to increase its 11 per cent share of the Welsh vote and achieve a breakthrough in at least one of Labour's industrial valley strongholds.

On paper this looks near impossible, given Labour's large majorities, but in two valley constituencies, Caerphilly and Merthyr Tydfil, Plaid is the controlling party on the local district council. If the tide turns out to be running very strongly against Labour, an upset cannot be ruled out.

Neath and Aberdare are also on the list of Plaid hopefuls, as is Anglesey in North Wales, where there is a fierce fight among all four parties for the seat being vacated by Cledwyn Hughes, retiring chairman of the Parliamentary Labour Party.

Although Cledwyn Hughes enjoyed a sizeable majority—5,972 at the last election—he undoubtedly had a large personal following, built up over 30 years as the island's MP. All three other parties regard the seat as winnable.

The most confident party in Wales in this election though is the Conservatives. It is not just the evidence of the UK opinion polls, but the Conservatives' showing in a series of Wales-based polls over the past 18 months which have indicated a *sharp jump of 10 to 15 per cent* in their overall share of the Welsh electorate's allegiance. In 1974, they secured only 23.5 per cent of the vote and eight seats.

If this increased support is there on May 3, it puts the Tories in line to win Brecon and Radnor, where Labour is defending a majority of 3,012 and Swansea West, held by Mr. Alan Williams, the Industry Minister, with a majority of 4,836.

Elsewhere, however, labour's massive majorities and tactical voting in four cornered fights makes it unlikely that increased support will be translated into more Conservative Welsh seats.

The main impact will be to strengthen the *Party's hold on* its existing seats, notably in Pembroke, where Nicholas Edwards, the shadow Welsh Secretary of State, is defending the smallest majority in Wales —772 votes.

Similarly, if the polls are anything to go by, the Liberal votes in Wales will fall sharply compared with the 15.5 per cent achieved in 1974. But they are certainly not expected to lose Montgomery, held easily for 20 years by Emlyn Hooson, the Welsh Liberal Party leader.

The Liberals' other Welsh seat, Cardigan, recaptured by Geraint Howells from Labour in 1974, is less secure. But in a constituency where all four parties tend to poll a respectable vote, his exceptional devotion to constituency affairs is expected to keep the Welsh Liberal flag flying there also.

Thatcher accuses Labour of trickery

BY ELINOR GOODMAN, LOBBY STAFF

MRS. THATCHER opened the second week of her campaign last night with an attack on the Government that reached new levels of invective. She accused Labour of scaremongering, deceiving the British public and general incompetence.

Speaking in Darlington, she went some way to answering most of the charges that Labour has levelled against her in the past week. Her aim seemed to be to throw back into Mr. Callaghan's face the attacks made on her by Labour.

Labour, she said, dared not admit the truth about what it had done to this country "in their disastrous years of office." Therefore members of the Government were trying to "trick their way back to power by raising scares about the Tories."

The true irony, she maintained, was that each accusation that Labour leaders "hurled" at the Conservatives was actually the truth about themselves.

She began by tackling Labour's record on inflation and unemployment, two of the issues that Transport House would like to think were among Labour's best cards.

Quoting Labour's claim that it had conquered inflation and that the Tories would put up prices, she maintained that the truth was that inflation under a Labour Government had reached the highest level in 300 years.

The rate of price increases, she maintained, only really came down when the government was forced by the International Monetary Fund to adopt what she described as Tory policies and to cut its own spending.

The truth was that inflation was climbing again, and that Labour held the British "all-time, all-comers record for having doubled prices within a five-year period of office."

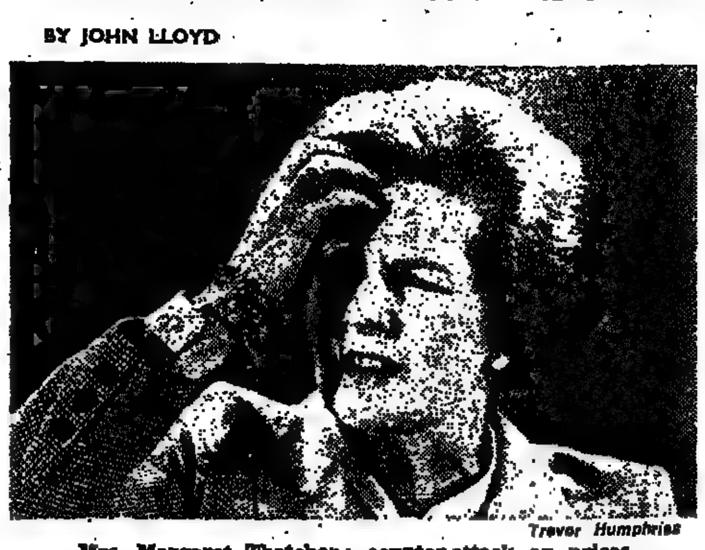
Turning to Labour's charge that Tories would increase unemployment — an important issue in the North-east, where the Tories are traditionally weak—she said that Conservative policies would create "real" jobs. The truth, she maintained again, was that every Labour Government since the war had left more people out of work when it was forced *from office than when it came* to power.

Mrs. Thatcher also disputed assertions that the Conservatives would destroy the National Health Service—a charge to which she has, in earlier speeches, shown herself very sensitive. Again, she declared, it was under Labour rule that the NHS had deteriorated.

She concluded: "When you go to vote on Thursday, ask yourself why a Labour government, which has been in power for so long and achieved so little, has based its campaign not upon its own record but upon crude *scaremongering* about its opponents."

Tories declare 'scared parties run scare campaigns'

BY JOHN LLOYD



Mrs. Margaret Thatcher: counter-attack on prices. *Trevor Humphries*

MRS MARGARET THATCHER denied Labour accusations on future price rises under the Conservatives, yesterday. She declared: "*Scared parties tend* to run scare campaigns."

Speaking at the Conservative press conference, she denied that Conservative policies would mean an increase in value-added tax of more than 17 per cent.

On pay policy, the Tory leader repeated her view that a policy could not last for more than two years, admitted that a Conservative government might introduce a pay freeze, but observed *that she did* "not regard a pay freeze as a pay *policy*."

Prices, she said, had risen 101 per cent since 1974; it would be difficult to get inflation down, "particularly because of the increases Labour has in the pipeline."

On income tax, she said that it would only be reduced by a party with "determination and indeed a passionate belief" to reduce it.

The "two scares," on VAT *and school meals*, that the Labour Party had raised were *old Labour initiatives, Mrs.* Thatcher said. Labour had raised VAT and school meals soon after taking office in 1974, and might intend to do so again.

She *emphasised* the "perhaps too modest" denial by Sir *Geoffrey Howe, Treasury* spokesman, that VAT would not be doubled to more *than 17* per cent; and said that although Labour had accused the Tories of intending to raise school meals by 10p, it was Mrs. Williams, the Education Secretary in the Government, who had done so.

She did not, however, specifically deny the charge.

VAT would be increased under a Conservative government, but it was not yet known *by how much. Direct taxes* would be decreased proportionately.

She defended the sale of council houses, saying it was a popular policy. The party did not expect that the choice would be taken up by more than half of council tenants, but it was *important that there* was a choice.

Unionists close ranks for election

By Stewart Dalby

AS NOMINATIONS closed yesterday, indications were that more than 60 candidates will be contesting Ulster's 12 seats.

The Unionists have shown *their traditional ability* to close ranks as election day *approaches—only one of the* ten constituencies they held *in the last Parliament looks* threatened by a split vote.

Mr. William Craig of East Belfast faces challenges from rival Unionists of Mr. Ian Paisley's Democratic Unionist Party, the Unionist Party of Northern Ireland and Mr. Oliver Napier, leader of the non-sectarian Alliance Party.

The Catholics have demon*strated little inclination to* agree on candidates and the *likely result is that they will* forfeit at least one seat, mid-Ulster.

They could well lose Fermanagh—South Tyrone, where Mr. Austin Currie, chief whip of the Social Democratic Labour Party, is determined to have a crack at Mr. Frank Maguire's slender majority.

Mr. Currie apparently plans to break from the SDLP and run as an *independent* because he is upset at Mr. Maguire's failure to condemn IRA violence.

All told, the Official Unionists, who had seven members in the last Parliament, will contest all of the 12 seats. The DUP is running five candidates. UPNI is fielding two members, as is the *UUUP*.

On the Catholic side, the SDLP—represented by Mr. Gerry Fitt in the last Parliament—will contest nine seats to slice the Catholic vote.

Republican Clubs, an offshoot of the old official Sinn Fein, the official wing of the *Official* IRA, is fielding six candidates, the Northern Ireland Labour Party has two candidates, the Irish Independent Party has three runners and there is also a crew of independents.

Heath stands by his past record

BY JOHN LLOYD

THERE WAS no hope of new growth or prosperity "if we allow those who deceived the nation in 1974 to deceive the nation again in 1979," Mr. Edward Heath said in Llanidloes, South Wales, last night.

In his strongest defence of his past record so far in this campaign, the former Prime Minister attacked Labour's 1974 electoral strategies and said that they were essentially unchanged.

'Disasters'

"The Conservative Party may have lost both elections in 1974. But we did tell the truth. We can stand by what we said then.

"The return of a Labour government next week would lead to a rerun over the next five years of the economic disasters of the last five."

Labour's national policies had aggravated world difficulties.

"The truth is, you can't hope for jobs if you hate business and free enterprise; you can't have investment, on which jobs depend, if you hate investors."

Labour's manifesto was "certainly not a programme for austerity." It proposed to finance its programme with a 3 per cent growth rate. Yet Britain's growth over the past five years had been less than *1 per cent.*

Mr. Heath, in a sombre peroration, said that the 1980s promised no easy road. If the UK did not compete success*fully with other advanced* economies, there would be no safety nets.

"North Sea oil will not save us. We will face progressive *de-industrialisation*, progressive threats to our living standards, progressive strains and tensions in our society."

Mr. William Whitelaw, Conservative deputy leader, in Morecambe, also attacked Labour's forecast of a 3 per cent growth rate. The taxpayer would have to pay for any growth under Labour.

Mr. Norman St. John Stevas, Conservative spokesman on Commons affairs, told a meeting in Danbury, Essex, that Mr. Callaghan's thesis on the trade unions was that they were so powerful that no law could touch them.

That would mean the end of democracy and the rule of law in Britain.

Mr. Denis Healey's economic forecasts should be regarded as having rather less authority than a sermon on democracy from ex-President Amin," Sir Geoffrey Howe, Treasury spokesman, said in Bolton.

He blamed Mr. Healey for the 10 per cent inflation rate "that is now around the corner."

Mr. John Peyton, Tory agriculture spokesman, said that Mr. John Silkin, Agriculture Minister, had "claimed credit for *things he had not done*" and "drawn a veil" over the doubling of food prices and the fall in net farm income.

Mr. Angus Maude, Tory *deputy chairman, observed* that the campaign was being fought on Tory policies, "with Labour ministers behaving like a carping opposition."

'Nannying'

Mr. Michael Heseltine, environment spokesman, *called for* an urgent review of Whitehall power. Local government needed rescuing from "nannying and overseeing."

Sir Ian Gilmour said that Mr. Callaghan's reported concern over the fact that an alleged Trotskyist was standing as a Labour candidate for Croydon Central, was purely an electoral one. "He will do nothing to *thwart their work of subversion* and infiltration . . . as long as they do nothing to blow his moderate cover at election time."

Where elections have long been 'abolished'

BY ROBERT MAUTHNER

YORKSHIREMEN, normally as chauvinist as any Frenchman, expressed *genuine surprise* that anybody should take an interest in the general election campaign in Leeds.

That the FT's Paris correspondent should cross the Channel specially to sample the delights *of Harry Ramsden's fish* and chip restaurant in Guisely—"the *biggest and best* in the world"—was only natural. It did, after all, deserve a three-star rating in the Michelin Guide and had failed to obtain a mention only because those stupid Continentals were inex*plicably prejudiced* against mushy peas.

General elections, on the other hand, had been abolished long ago in Leeds; and were probably more interesting even in France.

That blunt Yorkshire view of the political situation in *Leeds, has* some foundation in fact. Not since the end of the *Second World War has any seat* in the City of Leeds been lost by an incumbent MP *of* any party, "although some constituencies have changed names as the result of boundary modifications.

Mr. Denis Healey, the Chancellor and member for Leeds, East, was first elected 27 years ago and his original sponsor *on the nomination papers* is now aged 90 and still going strong.

Mr. Merlyn Rees, Home Secretary, took over the Leeds, South, constituency from the late Hugh Gaitskell 16 years ago, while Sir Donald Kaberry, *aged 71*, has been the Conservative member for Leeds, North-West, since *1950. Sir Keith* Joseph, the Conservative Party's industry spokesman, has been ensconced in Leeds, North-East, since 1956.

Whatever doubts they may have about the national prospects for their party, the two Labour Cabinet Ministers have *no reason whatever* to fear defeat in their own constituencies.

Not even the loss of 2,000 jobs at the *Barnbow Royal* Ordnance factory, as the result of the cancellation of an Iranian order for tanks, is likely to make much of the dent in Mr. Healey's majority of more than 12,000. Mr. Rees is sitting on an even more impregnable October 1974 majority of more *than 15,000 in Leeds, South.*

So confident is Mr. Healey that he even *had a kind word* for his Conservative opponent, Mr. Andrew Carter, a *young* branch manager for a flooring contractors' company and a Leeds City councillor.

Although Mr. Carter is campaigning vigorously for the reintroduction of capital punishment, the Chancellor described him as "a nice young lad" and *the first* Tory candidate to have really worked on the area.

The *stability of the* Leeds electorate somewhat disconcerts foreign visitors, as all members of the human race who were not born and bred in Yorkshire are known.

After all, if the Yorkshire County Cricket Club could get rid of its popular captain, Geoff Boycott, why cannot the county's capital city change its MP from time to time?.

The question is particularly relevant *since* the city of Leeds has undergone profound changes over the past *two* decades, with widespread economic and social consequences.

The grimy Victorian city which, *in the 1950s*, still looked much as it did at the height of *the industrial revolution, is* practically unrecognisable today. Slum clearance has been radical.

At the cross-roads of the country's north-south and east west motorway network, it has an urban road system second to none. *Industry* has been given a great shake-out.

Sir Keith Joseph in Leeds *Terry Kirk*

Mr. Denis Healey *Leonard Burt*

Mr. Merlyn Rees *Terry Kirk*

The traditional clothing industry is no more than a shadow of *its former self* and some of the big multiple tailors, such as Burton's *have ceased manufac*turing in Leeds.

Although it has a substantial Irish population, the IRA has somehow given Leeds a miss and the *West Indian and Asian* population of the city has posed a much smaller problem than in neighbouring Bradford.

The city's Labour and Liberal parliamentary candidates emphasise the shortcomings of the Conservative-controlled city council's administration, particularly *in housing.*

For if the Labour Party can boast four MPs out of the city's total of six, the Conservatives have a slim overall majority of four on the city council. The Liberals, who currently have seven seats on the council, compared with the Conservatives' 50 and Labour's 39, think that they stand a very good chance of *holding the balance* of power in the new council.

Mr. Chris Greenfield, the *Liberal candidate and* a city councillor, lambasts the Tories *daily for their whole*sale demolition of housing in Leeds and the destruction of traditional communities, while there is still a housing waiting list of 20,000.

Mr. Greenfield, who is striving to repeat the Liberals' recent shock success in Edge Hill, Liverpool, *has an uphill* task. The Liberal candidate came second to the present Labour MP, Mr. Joe Dean, in the last general election, but the gap between the two was still 7,600 votes.

But no stone is left unturned to make up the leeway, includ*ing a personal campaign against* Mr. Dean for the ultimate sin, in the eyes of any Yorkshireman, Liberal or otherwise, of living beyond the Pennines in Manchester.

Sir Keith Joseph, on the other side of the city, has never had any scruples about living in London, and it does not appear to have done him any harm, *since* he has represented Leeds, North-East, for 23 years. However, were the *tide not running* so strongly in favour of the Conservatives, he *might not* have felt quite so safe this time.

Leeds, North-East, which embraces the notorious Chapeltown slum district and has the biggest West Indian and Asian population of any constituency in the city area, gave Sir Keith what was, by Leeds standards, a relatively *modest* majority of 5,600 in the last general *election.*

His controversial statements *in the past on immigration* clearly have not endeared him to the local coloured *population.*

In Sir Keith Joseph's area and other Leeds constituencies, the Conservatives' emphasis on law and order is a potential vote-catcher.

Quite apart from the violence which is a *feature of* poor immigrant districts, Leeds has become particularly sensitive to the matter because of the *murders by the* "Yorkshire Ripper" and the growing vandalism *on isolated housing* estates.

However, what the Tories pick up on the swings, they may lose on the roundabouts. Mrs. Margaret Thacher is not, on the whole, very popular in Yorkshire. Not so much because of the Tory leader's policies but because many Leeds women, to say nothing of their menfolk, think her place is in the home. Even Labour voters in Leeds are conservative.

Tomorrow: Welwyn and Hat-

Wilson attacks 'ignorance'

BY IVOR OWEN

STATE-OWNED assets sold by a Conservative Government would be more likely to be acquired by the pension funds of nationalised industries than by small private investors, Sir *Harold Wilson suggested* last night.

The former Prime Minister, speaking at a Labour election meeting in Huddersfield, accused Conservatives of a surprising ignorance of Britain's financial institutions.

"Life assurance companies in part, but above all the pension funds of private and industrial concerns and, most of all, State-owned industries, at whatever prices, these institutions could be induced to buy."

Sir Harold argued that the main point was not the likely *sale of such assets at "knock-down prices"* but that responsibility *for them would be* taken away from Ministers answerable to Parliament and transferred to groups of trustees with no accountability.

First votes support Whitehall pay deal

By Philip Bassett

THE FIRST votes among members of the union which has led the pay fight by 600,000 civil servants show three to one are in favour of accepting the Government's offer of 9 per cent now with further staged rises.

Members of the Society of Civil and Public Servants in major centres such as Edinburgh, Manchester, Cardiff, Newcastle and Swansea all voted for the offer, with no centre against it.

The Civil and Public Services Association, the other major union involved in the selective strikes which are still continuing, is voting branch-by-branch rather than at mass meetings, and results are not expected until ater this week.

The offer gives 9 per cent now with a further £1 a week for staff on salaries of up to £4,795 a year, a further 5 per cent from August 1 this year, and the balance of rises due from the Pay Research Unit comparability studies on January 1 next year.

European unions advised to black Times overseas edition

BY PHILIP BASSETT, LABOUR STAFF

THE International Graphical Federation is to advise its members not to handle work on a weekly overseas edition of The Times after a request for support from the National Graphical Association.

Members of the NGA started picketing Times Newspapers' London offices yesterday. Members of the National Union of Journalists crossed the picket lines, but officials of the other print unions decided to join the action.

Officials of the NGA yesterday contacted the IGF in Berne, Switzerland, and were told that German print unions were practically certain that the overseas edition was to be printed in Frankfurt, West Germany. Times Newspapers' management is keen to keep the place of publication secret to try to avert any attempts to prevent its launch.

The IGF is circulating all its member countries to tell them of the position at Times Newspapers, which has suspended publication of its titles for four-and-a-half months, and to tell them not to handle copies of the weekly foreign edition.

The Federation is also contacting similar unions in Holland, which are not members, to try to win their support.

NGA officials believe that there is now every likelihood that the launch and distribution of the launch and distribution prevented.

Times Newspapers said yesterday that the company had not ruled out taking action on plans in hand to start a similar edition for overseas readers only of the Sunday Times, though company thinking on this issue was not as well advanced as on the weekly edition of the daily paper.

Further action against the European plans is being sought by the Times' unions liaison committee, which has written to the TUC asking for support and for the TUC to use its European links to hamper the launch of the weekly edition.

The committee also decided to involve members of the Society of Graphical and Allied Trades, the National Society of Operative Printers, Graphical and Media Personnel and the process union SLADE in the picketing.

The National Union of Journalists yesterday instructed its members not to work on the weekly edition, but skirted the issue of journalists joining the picket lines by seeking talks with the NGA on the "practical industrial support" journalists can give. Times Newspapers' journalists will meet today

Helicopter used to avoid pickets

BY NICK GARNETT, LABOUR STAFF

DUNLOP yesterday flew computer paper by helicopter into its Birmingham plant as part of its attempt to beat trade union picketing.

The helicopter carried payroll paper in order to pay the workforce at the Fort Dunlop plant.

The management has switched the movement of bulk items into the plant from road to rail, but Speke shop stewards said yesterday that they had taken measures to stop the company doing this.

Dunlop has said it intends maintaining production in Birmingham by any methods open to it although it has warned of widespread lay-offs if this proves unsuccessful..

Production at the company's tyre factory at Inchinnan, Scotland was stopped yesterday by an unofficial strike over pay by 550 production workers.

Scots TUC defeats 'legal protection of pickets' move

BY CHRISTIAN TYLER, LABOUR EDITOR

A POTENTIALLY embarrassing motion calling for more legal protection for pickets and for workers who occupy factories was defeated yesterday at the Scottish Trades Union Congress.

The motion, which could have supplied the Conservative Party with further anti-union election ammunition, was despatched on a show of hands.

Although it contained nothing unusual in trade union terms, the General and Municipal Workers and the Transport Workers both felt bound to speak against the motion, which was put by the Amalgamated Union of Engineering Workers.

Mr. Tom Dougan of the Engineers said abstract rights had to be translated by new laws to actual rights. Protection was particularly necessary for sit-ins against factory closures.

Mr. J. A. Hixon, of Clackmannanshire Trades Council, said that the Tories wanted a system that would render picketing about as effective as "a savaging by a muzzled rabbit."

For the General and Municipal Workers, Mr. Duncan Waddell asked the AUEW to withdraw its motion because, he said, it was a bad time to debate it.

The first job was to re-elect a Labour Government, not "to supply the Iron Lady, Thatcher, with ammunition."

Mr. Hugh Wyper, the next Scottish regional secretary of the TGWU, said that an extension of the law, as well as being a soft option to organised strength, could rebound on the unions themselves.

Mr. Dougan replied that he could not withdraw the motion because the policy of the union's National Committee, the engineers' policy-making body, whence the motion came, was sacrosanct.

He thanked the other unions for their sympathy, but said sympathy was not good enough for a union that had fought against the Industrial Relations Act of the last Conservative Government at a cost of £8m in sequestered assets and strike pay.

Conspiracy move

The composite motion asked for legal amendment to increase the powers of agencies like the Advisory, Conciliation and Arbitration Service, and give pickets a legal right to stop vehicles so that workers could explain their case.

It asked for repeal of Part 2 of the Criminal Law Act to remove conspiracy charges from industrial relations, and give legal immunity to factory occupations.

This part of the motion does not apply under Scottish law.

Finally, it asked for a right for pickets to operate without interference from the police on the sides of picket lines.

AUEW to discuss action on pay

By Alan Pike, Labour Correspondent

THE AMALGAMATED Union of Engineering Workers' policy-making national committee opened its meeting in Eastbourne yesterday with the industry's annual pay negotiations still unresolved.

Leaders of this and other unions are threatening industrial action unless they receive an improved offer from the Engineering Employers' Federation, and the issue will be considered by delegates later this week.

Mr. Terry Duffy, president of the AUEW, said yesterday: "We cannot downgrade our sights to fit in with the least efficient borderline employers."

The unions want to increase the basic minimum craft rate from £60 to £80 a week and the employers have so far offered £65. Mr. Duffy said that by this offer the employers condoned the continuation of the low wage, low status image of the engineering industry.

"What kind of mentality allows this great industry to limp along, be inefficient and lose its skilled manpower through lack of security, incentive and status?"

Grievances

With craftsmen at BL having been on strike again this month, Mr. Duffy said that the national committee was meeting at one of the most traumatic periods in the union's industry. The legitimate grievances which plagued skilled members had to be resolved and, whatever form of wage determination existed, craft differentials must rise to realistic levels

Elections for the conference's standing orders committee yesterday produced a series of tied votes between left and right wing delegates with every candidate polling 26 votes. This indicates that there will be some very close outcomes to this week's debates.

Gallaher examines Ulster investment

BY OUR BELFAST CORRESPONDENT

GALLAHER, THE tobacco group, said yesterday that it was re-examining its investment policy and programme in its two Ulster factories because of unsettled industrial relations.

About 3,500 process workers began an indefinite strike yesterday, bringing production in the Belfast and Ballymena plants to a standstill.

The production workers in Ulster are members of the Transport and General Workers' Union. They seek a 5 per cent pay increase in line with an award to craftsmen.

Gallagher said it was concerned about its plans to re-equip and modernise its Ulster plant. It had hoped for greater cooperation from the unions, but the TGWU and the craft unions there were divided.

Gallagher's other UK factories are not affected by the present stoppage. Though stocks are high, cigarette brands made in Ulster would run short if the strike were prolonged. The company said it could permanently lose business.

In 1977, because of the new investment plans, Gallagher and the unions came up with a scheme to upgrade skilled and top production workers most affected.

The company said pay policy had until recently prevented regrading, but it had now gone ahead. Top process workers and all craftsmen in the factories in Great Britain had received the increase, as had craftsmen in Ulster.

The increases for top process workers in Northern Ireland had not gone ahead because the TGWU demanded that all its members receive 5 per cent.

Tailors report clothes sales increase

CONSUMER SPENDING on clothing has increased because living standards rose by 6.3 per cent last year said Mr. Idwal Brace, chairman of the National Union of Tailors and Garment Workers, at Scarborough yesterday.

The union was concerned, not only with the traditional areas of cheap production, such as Hong Kong, South Korea and Taiwan, but with the problems that could arise from the new £7bn trade agreement with China, he said.

Such trading must not result in China exchanging textiles and clothing for plant and machinery; there must be no question of "how many pairs of trousers for one power station?"

Union seeks big wage rises for ICI workers

BY OUR LABOUR STAFF

A PAY CLAIM for substantial rises was submitted yesterday on behalf of Imperial Chemical Industries' 50,000 manual workers.

The claim includes the restoration of differentials, consolidation of the Phase I pay supplement and substantial increases on basic salary.

Although the unions have not formally put a figure on the size of the claim, the Transport and General Workers Union says the signatory unions will be seeking more than 15 per cent.

The company has already offered a pay package worth that figure, partly in an attempt to reshape its wage structure and resolve differential problems arising from Government pay policy.

One result of these difficulties has been a severe shortage of instrument artificers, with unions refusing to co-operate in training workers from lower grades as artificers until wages for senior grades are improved.

A company spokesman said yesterday that the claim would be studied to see how it compared with the company's pay restructuring package. Wage negotiations will resume next month.

Forest workers get 12% offer

BRITAIN'S 5,000 forestry workers are being urged by their union to accept a pay offer from the Forestry Commission which will raise wages from £43.50 to £48.95 a week—an increase of 12 per cent. Skilled workers will receive an extra £7 a week, raising their wage to £54.95.

Nurses demand cash to save NHS

THE NEXT government must pump more money into the National Health Service to save it, the president of the Royal College of Nursing warned yesterday.

Miss Eirlys Rees told the nurses' annual conference in Guernsey that patients have been placed at risk and wards closed because of too few nurses.

"If people are to receive the Health Service they have been led to expect—care and treatment free at the time of need—it must be adequately financed.

"The next government must act quickly or the NHS will go down in history as the great venture which prospered for a quarter of a century on the goodwill of its staff, but then went into a decline because its staff were denied the resources to provide the standard of care to which they were committed.

"In many places nurses have been battling in 19th-century conditions to provide a standard of care which reflects 20th-century knowledge and skills.

"The pressures on community nursing staff have become intolerable. In trying to care adequately for increasing numbers of dependent patients in their own homes. The shortage of health visitors has resulted in tragedies.

"A key issue to be decided by the 900 delegates at the conference is whether the 130,000-strong College should seek affiliation to the TUC.

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APPOINTMENTS

Main Board post at ICL

Drs. Joseph A. Ritmeester van de Kamp has been appointed a non-executive director on the board of ICL, the holding company of the International Computers Group. Drs. van de Kamp was general manager of IBM Nederland from 1959 to 1964 and a managing director of KLM Royal Dutch Airlines from 1964 to 1974. At present he is chairman of the supervisory boards of three Dutch companies and holds directorships in a number of others.

★

LONDON TEA AND PRODUCE COMPANY has appointed two new executive directors, Mr. Andrew Cartwright, export, and Mr. Michael Towner, sales development.

★

Professor J. H. Horlock, vice-chancellor, University of Salford, has been appointed a director of BRITISH ENGINE INSURANCE.

★

Mr. D. A. H. Baer has been appointed a director and chairman of ALLIANCE INVESTMENT COMPANY and F. & C. MANAGEMENT following the retirement of Mr. H. C. Baring. Mr. Baer recently became chairman of Foreign and Colonial Investment Trust and a director of its subsidiary, Centenary Fund S.A.

★

The NATIONAL ENTERPRISE BOARD has appointed Mr. John Williams as head of the Rolls-Royce support staff in succession to Mr. Robert Lickley, who is retiring from the NEB on April 30. Mr. Williams is at present head of the BL support staff at the NEB and the two posts are being combined.

★

Changes on the Board of BLUNDELL - PERMOGLAZE HOLDINGS take effect from May 1 following a realignment of executive responsibilities. Mr. A. C. Hornsby becomes chief executive; Mr. R. L. White, managing director with special responsibility for finance; Mr. W. H. Hulme, group operations director; and Mr. P. M. F. Coverdale, group development director. Mr. N. G. Bassett Smith continues as chairman.

★

Mr. R. G. Chitty has been appointed to the Board of Pullen Pumps and Pullen Foundries. Mr. F. T. Snow has joined the Board of Pullen Foundries and Mrs. A. Jones has become a FREDERICK A. PULLEN (HOLDINGS).

★

Mr. Kenneth Powell is to retire as aviation underwriter with GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION on April 30 and he will be replaced by Mr. John Hayton. Mr. Robert Cox will become assistant aviation underwriter. The new appointments are effective from May 1.

★

Dr. Klaus Liske has joined Mr. M.A. ten Brink as general manager of DEUTSCHE BANK AG London branch.

★

Mr. S. W. Shiel, company accountant of HALMA, has become group accountant.

Mr. Alan Watchman has been appointed chief executive of the BRAY GROUP, which includes Geo. Bray and Co. and Bray Chromalox.

★

Mr. Edgar R. H. Bowring has been nominated by the British Insurance Brokers' Association to fill the vacancy on the INSURANCE BROKERS' REGISTRATION COUNCIL following the resignation of Mr. Douglas Grout.

★

Mr. Alex Harper has become director of marketing for UK operations of SEATRAIN. Mr.

Mr. Alex Harper

John Kentesber has been appointed to the newly-created post of sales director of international accounts.

★

Mr. R. O. Riggott has been appointed a director of WALLINGTON WESTON AND CO, a subsidiary of Marley.

★

Mr. N. J. Bristow has been appointed financial director of GUINNESS RETAIL HOLDINGS.

★

Lord Polwarth has decided not stand for re-election to the board of the WEIR GROUP at the annual meeting on May 23 in view of the pressure of his many other commitments.

★

Mr. Colin Jones has been appointed editor of the BANKER and editorial adviser to the BANKER RESEARCH UNIT from May 1. Since 1967, Mr. Jones has been a leader and feature writer with the Financial Times. He was previously with the Economist and the Statist. The Banker is published by the Financial Times Business Publishing, a wholly owned subsidiary of the Financial Times. Mr. Robin Pringle, former editor of the Banker, leaves to become executive director of the consultative group on international economic and monetary affairs, under the auspices of the Rockefeller Foundation.

★

Mr. Norman Stewart retires at end of April as managing director of J. PARKINSON AND SON (SHIPLEY), machine tool maker.

TASKER AND BOOTH, scaffolding services contractor has appointed Mr. W. R. D. Matches commercial director.

★

Mr. Keith Catchpole today joins HENDERSON CROSTHWAITE AND CO., stockbrokers, as a partner.

★

Mr. R. C. Wheeler-Bennett, general manager—Europe, of the Australia and New Zealand Banking Group, has been appointed chairman of the BRITISH OVERSEAS AND COMMONWEALTH BANKS' ASSOCIATION for 1979-80 in succession to Mr. D. P. Pinks of Standard Chartered Bank. The new deputy chairman is Mr. R. S. T. Robbins of Canadian Imperial Bank of Commerce.

★

Mr. P. L. M. Sherwood has resigned as a director of ANGLO-CONTINENTAL INVESTMENT AND FINANCE COMPANY. He has also relinquished all his other directorships of subsidiaries of the Generale Occidentale group in the UK to take up a position with an American subsidiary, Grand Union Inc., a supermarket chain.

★

Shop steward Mr. Glynn Pratt has been appointed to the Board of the MERSEY DOCKS AND HARBOUR COMPANY as a worker director. The 48 year old motor driver succeeds marine operator Mr. Bob Bennett who has held the non-executive position for the past two years. Mr. Pratt was appointed after consultation with the trade unions in accordance with the provisions of the company's articles of association.

CONTRACTS

Brewery contracts and orders worth over £2.5m have been awarded to ROBERT MORTON (DG), a Lindustries company. Lorimers of Edinburgh has given the company a £460,000 contract to control civil and structural work, and supply eight 650-barrel fermenting and conditioning vessels, pipework and instrumentation. Another contract, worth over £500,000, is for six 300-barrel fermenting plants plus refrigerating plant and electrical work, for a Nottingham brewery.

★

WALKINSHAW AND CO., UK agents for OCME Spa of Italy, reports that Schweppes have placed an order worth about £500,000 for 13 automatic low-level palletisers and 7 automatic low-level depalletisers.

★

MESSENGERS (BIRMINGHAM), a member of the Pentos Engineering group, has been awarded a contract valued at over £500,000 by Shell UK. The order comprises equipment for the conversion of Shell domestic installations.

★

ITT SEMICONDUCTORS has received a $700,000 (£350,000) order for 4K and 16K dynamic RAMS from the Sharp Corporation. It is expected the order will have increased to well over $1m (£500,000) by the end of 1979.

★

FERRANTI CETEC GRAPHICS, the Edinburgh-based subsidiary of Ferranti, has received an order valued at over £300,000 to supply Clumis, the land use, mapping and information system, to the City of Munich.

★

FINSPA ENGINEERING COMPANY of West Bromwich has been awarded a £1m contract by Wiggins Teape, a part of BAT Industries, for the supply of a minicomputerised handling and storage system together with service equipment. A principal feature of the system is the on-line minicomputer operation with a high-speed radio data link giving real-time control to VNA trucks.

★

MODERN BUILDING SERVICES (BRISTOL) has won a contract valued at over £200,000 for the design and construction of industrial units at Huntingdon Buildings, Bethnal Green, for the Greater London Council.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Vital company data at a glance

PRIVATE Viewdata equipment designed expressly for the larger company, which has branches spread over wide geographical areas, has been developed by Philips Data Systems over the past four years and is now being launched in the UK and Europe.

The intention is to market it to companies who have problems in controlling the flood of information relevant to their work, generated both by the users and by their immediate areas of operation. Greatly speeded up information storage and retrieval by this method and simple access to it over telephones lines should benefit the whole of the user organisation from the board-room to the shop floor.

Philips itself is starting to use the system in house, both in Britain and across its European development and manufacturing centres. For the time being, the system will be confined within national boundaries though a generalised Viewdata system for the whole of the company world-wide is already being talked about.

Control of the Philips version is by means of software operating routines developed by the company at its Redhill research laboratory between 1975 and 1977 and subsequently tested by running with user groups in the Netherlands. It is based on one of the company's minicomputers, a P857, with disc storage units built by Philips, and using as outlets either Pye Visa TV series or adapted TV sets from Philips. Data entry is catered for by a matched imput and editing terminal.

Care has been taken to keep all development in step with the Post Office so that users on the Philips system will be able to access Prestel, as well as Oracle and Ceefax.

At the same time, the company has added a number of facilities not available in other systems at the moment. One of these is a technique called key-word search. This allows a user to type in a descriptive title and get the relevant page of information immediately, without having to work through the several levels of search procedures normally required. At the same time, should the user want to backtrack during file interrogation, it is possible to move back through up to four levels out of the 15 possible, which again is not currently available.

With the security requirements of a company network in mind, the software also provides a guard on information by means of authorisation codes, without which no display of sensitive data can be provided.

Users may also move backwards and forwards between pages by keying a single digit without having to return to the index.

Marketing of the equipment comes in a novel "Workshop" approach, taking into account that the potential business and industrial customer is not all that familiar with the concept. For this, the company has set up its own Viewdata Centre in London where interested companies can send staff to experiment on the equipment and decide what would be useful in their own work. The next step could be for potential users of an in-house system to operate on the Philips equipment, using it as a bureau service.

Price for a basic equipment starts at just under £90,000 and there are leasing and rental options. This figure sounds high, but it must be remembered that to store large amounts of information on central computers and extract it via displays and keyboards costs an order of magnitude more. Microfilm and microfiche are lower in cost but have the inherent disadvantage that information is out of date as soon as it has been fixed.

Meanwhile, *Philips* is working on the integration of its word processors and laser disc store with private Viewdata.

Philips Viewdata Centre, Wilec House, 82, City Road, London EC1Y 2DP. 01-253 8467.

Digits on the move

HAND-HELD battery operated "walkie-data" radio terminals able to send data to a main computer up to about a mile away have been introduced into the UK from the U.S. by Portable Microsystems, Broad Lane, Evenley, Northants (0280 702017).

Each consists of a full alpha-numeric keyboard and a 64 character display working into a separate radio transceiver to give a truly mobile terminal for those applications which need real time access coupled with freedom of movement of the data sender. Overall dimensions of the keyboard/display unit are 8 x 4.8 x 2.75 inches and the weight 1 lb 6 oz; with the radio and batteries this rises to just over 6 lb.

Using only a pair of frequencies (one out, one back), multi-channelling and buffering, up to 250 of the terminals can be supported by the base station and unless a large proportion of the terminals are in use, an individual is unlikely to notice any queueing.

The base station controller makes use of either a DEC PDP-11 or IBM System 1 minicomputer, although it is possible that a suitable minicomputer already installed can be incorporated. Communication with the customer's main computer can be hard-wired, phone line or other remote connections using RS 232C or 4 to 20 mA working. A number of codes can be chosen.

On the terminals, which have a character sending rate of 60 per second, the display has a character size of 0.21 x 0.15 inch in a 7 x 5 dot matrix of gas discharge elements. There are four rows of 16 characters each. They keyboard is similar to that of a calculator; the keys are arranged in five columns of eight rows each and have tactile feedback.

The system, which is known as Tera should prove useful in warehousing, freight terminals, factory maintenance, widely dispersed process control and for security purposes.

● HEATING

Cleans the office air

AN IMPROVED electrostatic air cleaner from Actair International, Penarth Road, Cardiff (0222 387873) is particularly suitable for use where ink or paint mists, smoke, welding fumes, dust or other air-borne pollutants can cause irritation or annoyance.

Known as Tepcon 300 MkIII, the unit incorporates a charcoal odour filter and will remove particles of atmospheric pollution down to a size of only 0.03 micron. Operating costs are small as the cleaned air is returned to the room and is constantly re-cycled with no loss of heat. Throughput is 300 cubic feet per minute.

The unit's dust collector cell does not wear out, and is re-useable after cleaning in detergent.

● INSTRUMENTS

Combined displays

THE TREND to combine the oscilloscope with other forms of measuring equipment seems to be strengthening, the latest example being a dual trace 5 MHz scope and a full function autoranging digital multimeter in the same housing.

In spite of the quality, the unit measures only 112 x 237 x 360 mm and the weight is 4.8 kg including a built-in battery pack. The idea seems sound since there can be few occasions when the professional field service engineer does not need both facilities. The unit, designated Model 305, has shoulder strap allowing the user to keep both hands free in difficult places such as catwalks and ladders.

The 'scope has 5 mV sensitivity and the normal sweep speed is from one micro-second to 50 milliseconds per division, although a "times ten" magnifier takes this down to 0.1 microsecond. Full X-Y capability and a wide range of channel modes and trigger facilities are provided.

The multimeter section covers 12 ranges of DC voltage, AC voltage and resistance; maxima are 1 kV DC, 700 volts AC and two megohms resistance. Accuracy on the DC voltage ranges is ±0.1 per cent.

Operation is from AC or DC supplies and the internal re-chargeable battery has a life of 3½ hours if both sections are in use.

Meters for industry

AN EXTREMELY comprehensive range of individual electrical meters offering most scale ranges necessary for monitoring or control of electrical plant has ben launched by Electrical Instrument Company (Hillington), 30, Kelvin Avenue, Hillington Industrial Estate, Glasgow (041 822 1166).

The units are manufactured in square sizes of 72, 96 and 144 mm and offer electrical ranges from 1 milliamp to 5,000 amps, and from 60 millivolts to 600 volts, ac or dc. But they have also been designed so that they can be scaled in non-electrical quantities such as flow, speed, pH, etc.

Due to interest already shown in the instruments, the company has taken additional manufacturing space and with recently introduced mass-production techniques is planning advance stocking levels exceeding 10,000 units.

Design is to British Standard (up to class one), Lloyd's, and the relevant DIN specifications, and the instruments can be used between minus 20 and plus 40 deg. C.

Analyser agreement

LOGIC analysers made by the German company Dolch Logic Instruments of Frankfurt are to be made available in the UK by Wavetek Electronics, 109 Crockhamwell Road, Woodley, Reading, Berks RG5 3JP (0734 69 1944).

Latest of the instruments is the LAM4850 which can capture 48 channels of data and has 1024 bits per channel memory, backed by a similar size reference memory.

The 48 channels are grouped internally into three sets of 16 channels allowing simultaneous sampling with up to three different clock rates. The ability to record synchronous logic state information and asynchronous timing signals at the same time is seen by the company as the most powerful approach in complex digital system analysis.

A trace "menu" procedure allows the three independent 16 channel analysers to be organised in seven different sequential and/or parallel recording configurations and there is a similarly high level of flexibility in triggering.

Reading the gauges

AVAILABLE from Federal Ayreid, Ashley Road, St. Albans, Herts. (St. Albans 56522) is a display system able to deal with the readings of a number of metrological gauges.

The equipment is made in two forms, analogue or processor controlled. In the former case up to six gauging channels can be accommodated using the appropriate number of channel modules, each connected to one of the company's single or differential gauges. The display can be in the form of a multi-range meter or a five digit read-out, in conjunction with signal lamps providing the user with "good," "high" or "low" tolerance indication. There are five ranges up to plus or minus one "thou" on the meter, or one range to the same maximum on the digital display.

The other version of the Model 1080 is microprocessor controlled and can deal with 16 channels.

● PROCESSES

Shaping of plastics sheet

A MANUAL vacuum forming machine has been introduced by Ridat Engineering Co.

Called the 1812 Manual it is the smallest model in the Ridat range and has been designed for use with 17 ins by 11 ins skin pack cards. Suitable for small scale production, it can also be used for sampling plastics, checking moulds, testing forming techniques, and laboratory work, says the company which is located in Fishponds Road, Wokingham, Berks.

All operations are manually controlled. The plastics sheet for forming is secured under a clamp frame by a cam-action lever. The heater slides on runners and is pulled out above the plastic and pushed back again by hand while the drape table is raised and lowered by foot pedal.

Agreement with Japan

TEN YEAR contract signed by British Industrial Plastics Turner and Newall, 021-552 1551) of Oldbury in the UK and Mitsui Toatsu Chemicals of Tokyo, gives the Japanese company rights to produce 'Beetle' urea formaldehyde foam resins, hardeners and ancillaries in Japan and certain S.E. Asian countries.

Agreement also authorises Mitsui Toatsu to manufacture and use Beetle UF foam resins for thermal insulation and other applications, and to exploit these rights through associates and customers in the specified territories.

Stripping with heat

ALL TYPES of thermoplastic insulation can be stripped from wires of sizes between 0.02 and 6 mm using the Rush model A5C-M thermal stripping machine offered by Eraser International, 2 Hampton Court Parade, East Molesey, Surrey KT8 9HB (01-979 8141).

Bench mounted, the machine needs no adjustment for wire size since spring loaded heated elements are used in the stripping head. The temperature of these can be varied to suit the insulant and give consistent results.

The unit incorporates a length stop to give constant strip lengths and there is no danger of nicking, denting or otherwise damaging the wire beneath.

Operating from the mains, the unit measures 5¾ x 5 x 12 inches and weighs 9 lb.

● SERVICES

Dimensions in industry

A SERVICE for the production of three-dimensional (stereoscopic) informational and instructional films, in full colour, is offered by Cygnet Guild Communications in conjunction with 3-D consultants Stereo Image Techniques.

The image in depth conveys much more information than the familiar two-dimensional films, and gives fuller and more rapid comprehension of intricate equipment and processes. The picture is also more interesting and more visually satisfying to anyone with normal vision, or so the developers claim.

Production of these 3D films needs specialised knowledge and equipment, and a sudden wholesale changeover to the new techniques is not expected; but when 3-D images become readily available, 2-D films will be obsolete.

Introduction of the new service for information films is seen as a first step in this direction; the films are being produced in 16 mm, and can be shown on portable projection equipment, with the use of polarizing spectacles, in any kind of room or hall where 2-D films are shown.

Cygnet Guild, Guild House, Upper St. Martin's Lane, London WC2. 01 836 5420.

● POWER

Supply for containers

TRANSPORTABLE, self-contained electrical power supply units with outputs up to 25 kVA, intended mainly for telecommunications purposes has been introduced by R.A. Lister Power Plant of Thrupp, Glos, GL5 2BW (045388 5166).

They are housed in a specially constructed container complying to ISO standards which offers complete protection against adverse weather conditions on site. The walls are fully insulated while fans and inlet/outlet vents give adequate air flow during operation.

Each unit incorporates dual generating sets, rectifiers, batteries and associated control gear. The sets are built to full telecommunications specification and are able to run for up to six months without attention. Automatic switching is provided so that each runs for a pre-set period, alternately. If a set fails the other will take over automatically.

● MATERIALS

Helps to break the ice

HOVERCRAFT SKIRT material manufactured by Avon is to be used for a novel ice-breaking device to be operated by the Canadian coastguard service.

Two miles of the 50-inch wide material, similar to that produced by the company for the cross-Channel SRN4 hovercraft, has to be delivered to Canada by the end of June for the air cushion ice-breaking device being constructed there by Hoverlift Systems of Calgary at a total cost of C$1.75m.

The steel-framed unit is known as an ACIB (air cushion ice-breaking bow) and is in the form of three buoyant pontoons surrounded by a flexible skirt. Three diesel-powered centrifugal fans provide the necessary cushion of air contained by the skirt, and the ACIB is attached to a ship's bow within a specially designed notch.

Normally, ice-breakers use sheer power to ride up on top of ice formations, thus allowing the weight of the vessel to crush the ice. The ACIB drives air under the ice — depressing the water. The unsupported ice then falls and breaks under its own weight and the ACIB can break ice of up to one metre in thickness. It is interchangeable and will be used by three vessels, the navigation aids/ice-breaker Alexander Henry, the medium ice-breaker Griffon, and the buoy tender Montmorency.

The skirt material is being produced at Avon Industrial Polymers' new factory at Chippenham, Wilts. (02216 3911).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

FINANCIAL TIMES SURVEY

Tuesday April 24

FINANCE FOR SMALL COMPANIES

The spotlight on the small companies sector of British industry has intensified in recent years, particularly with the publication of the Wilson Committee's interim report. There is general agreement on the need to encourage this sector, and as this survey shows, the will as well.

All parties agree help is needed

IF THERE is one thing on which all the main political parties in Britain are agreed, it is that more help must be given the encourage the expansion of small businesses. This common ground includes a recognition that more needs to be done about taxation, the availability of money from banks and other financial institutions, and about the way that small concerns obtain managerial, technical and other assistance

But there are major points of disagreement among the parties and these stem in particular from the basic political philosophies of Conservative and Labour leaders. So while many of the detailed ideas put forward are fairly similar, there is a basic ideological difference about the relative rights and wrongs of encouraging the accumulation of personal wealth, and therefore potential investment, and about the role of the State and other institutions in overseeing and vetting what happens to small businesses.

In the currrent election campaign Conservative Party leaders are therefore saying that they would change the country's overall economic climate and so encourage the relations, friends and neighbours of small businessmen to invest. This has been dubbed the "Aunt Agatha solution" and its supporters on the Labour side include Mr. Harold Lever, Chancellor of the Duchy of Lancaster in the last Government, who has co-ordinated Labour's small firms policies for the past 18 months. Mr. Lever's views on taxation, however, are well to the Right of many of his colleagues and have therefore been outside the bounds of political reality towards the end of the lifetime of recent Labour Government.

Because of its political divisions the Labour Party manifesto hardly mentions small firms, beyond saying they need to be encouraged in inner cities and through employment subsidies. The Conservative Party, however, has given them a special subsection in a general economic and industrial chapter.

But if Labour won the election, it would be quite likely to introduce new concessions on capital transfer and other taxes and would push ahead on a guarantee scheme, maybe State-backed, for clearing bank loans. It would also look into the Wilson Committee's recent ideas for a small firms investment company, which would carry personal taxation concessions, and for extending CoSIRA to cover urban as well as rural areas.

A Conservative Government would rely mainly on the new economic climate it would hope to create, with cuts in direct and capital taxation and other wider reforms. It would also be quite likely to introduce the Wilson Committee's small firms investment company idea in some form or other within its first 18 months in power and would simplify VAT.

It would also ease operation of the Employment Protection Act and create a new proprietary company in law that would be excluded from various statutory disclosure provisions which small firms say inhibit them when competing with large companies. But, despite the views of the Conservative Party's Small Firm Bureau and other representative organisations, there may not be any other concessions specifically attached to the proprietary company.

Plan

Conservative leaders also plan to carry out other reforms on matters such as subcontracting arrangements, competition from local council direct labour in the building industry, and planning procedures.

But irrespective of whichever party wins the general election, small businesses can be sure that they will remain a live political issue for some time to come. This is true in other European countries and in North America as well as in Britain because there is international recognition that it is small concerns rather than large corporations that are likely to eat into the generally high levels of unemployment in the next few years. And while small concerns can create employment, they can also help to revive decaying inner cities which large companies often avoid because of restricted sites and poor transport facilities.

The Wilson Committee report on small firms published last month suggested that the long-term decline in the number of small firms in the UK noted by Bolton Committee eight years ago may now have been halted. But small firms in the UK are still relatively less important in terms of both output and employment than in other developed countries.

In France small firms accounted for 38 per cent of total manufacturing employment in 1972 compared with 42 per cent ten years earlier, while there was a slower decline in West Germany from 34 per cent in 1963 to 31 per cent in 1976. In the U.S., however, the number of manufacturing small firms has continued to rise, with companies of fewer than 250 workers accounting for 43 per cent of total employment in both 1963 and 1972.

Some of these statistics—collected by the Wilson Committee—are out of date and are not precisely comparable, so too many conclusions cannot be drawn. But they do serve to underline the relative position in the UK where small firms only accounted for 29 per cent of manufacturing industry employment in 1975.

Overall, the Wilson Committee estimated that small firms in the UK provided about a quarter of private sector employment and that the long decline between the 1920s and the late 1960s has not only levelled off but has even improved in some areas. The report said that the number of small firms employing fewer than 200 people in manufacturing industry seems to have begun to rise to about 80,000, while in construction the numbers are falling and stood at a total of 72,000 employing fewer than 25 people each in 1977. In retailing the rate of decline appears to have accelerated and in 1976 there were about 276,000 firms with a turnover of less than £150,000 a year.

The decline of small firms in Europe and elsewhere has led to a number of policies and innovations being launched, one of the most recent being in France. International studies have also been carried out to see how other countries manage to encourage the creation of new firms, especially in the U.S.

The Cabinet Office's Advisory Council for Applied Research and Development (ACARD) specially referred to America in a report it published in December on innovation. Stressing that UK taxation inhibits the "more spectacular successes" of the U.S. started by private investors, the report said: "The American experience indicates the significant role that small innovative companies can play in economic growth and the development of new industries. The striking results from a series of science-based complexes which have sprung up throughout the U.S.—of which perhaps the most famous are those in Santa Clara County, California, commonly known as Silicon Valley, and Route 128 near Boston—have demonstrated the potential of such companies."

The report pointed out that in the UK the absence of a sizeable class of wealthy individual patrons means that small businesses have to rely on institutional finance and warned: "The point has been made to us repeatedly that the lone individual, or group, with an unproven product or idea and with no track record has little hope of finding institutional back-up."

Many institutions, including the clearing banks, have launched various initiatives during the past year to try to fill this gap. Some of them may only be doing it in order to keep in with the current crazes of the Government of the day and may therefore only pay lip service, backed up by skilful public relations, to the problems of small firms. Others, however, are trying to ensure that their managers and executives do understand the needs of the small businessman.

This applies to large companies which are now developing methods of helping small firms, as well as to the clearing banks and other institutions. Some large companies are banding together in organisations like the new London Enterprise Agency to provide help and a few taking more direct action by reviewing their own internal procedures on purchasing and bill paying to see that the small firm receives a fair deal.

Such initiatives and help from the institutions and large companies will still be needed even if the "Aunt Agathas" do emerge and provide the sort of funds that Labour's Mr. Lever and the Conservatives hope for. Even if massive taxation changes were introduced during the coming year, it would still be a considerable time before the personal investor could become a significant force. And even then the small businessman would still need to turn to others for help with the technological, managerial and other problems that he will face when creating and expanding a small company in the 1980s.

John Elliott
Industrial Editor

Taxation

Widespread calls for reforms

THE BIGGEST tax problem small businessmen face is probably the complexity and everchanging nature of the legislation. The complexity is the result mainly of a steady process of palliatives and reliefs granted in consecutive Finance Acts. While each relief is no doubt welcome, the cumulative effect has made company taxation an impenetrable area to most small businessmen—who have better things to do with their time than read tax handbooks.

This complication, together with the effect of stock relief and 100 per cent capital allowances leading most big manufacturing companies to pay no tax at all, has prompted widespread calls for the wholesale reform of corporation tax.

The Tories have backed these calls and members of the Shadow Cabinet say there will be substantial changes if they win the election. Many of the changes will affect small businesses in particular, as a principal Conservative aim is to "recreate a climate of incentive."

Nevertheless, senior Tory figures believe it will be difficult to introduce the reform rapidly. Their first priority in the tax field is to bring down the higher marginal rates of income tax. They say that when that has been achieved they will then turn their attention to the corporate sector, probably in the second year of any administration.

So the first year of any Conservative administration is not likely to be radically different from the later Labour years, with further reliefs given to help small businesses, particularly over Capital Transfer Tax, where there was a string of concessions last year.

Labour, too, is likely to continue its pattern of piecemeal concessions. A third strand to watch is the state of the technical debate between the Inland Revenue and the various interest groups. Where the sums lost to the Exchequer would be minimal, this is likely to produce further changes. Movement on "nothings," or disallowed business expenses, is likely in the next Finance Bill, for instance, regardless of which political party is in power.

Study

However, one study that was expected to produce guidelines on the shape of taxation on small companies has proved disappointing. The interim report on such companies produced recently by the Wilson Committee on Financial Institutions made no general recommendations on taxation, although it received a large number of proposals for tax changes—which it passed on to the Government departments concerned.

It said: "The objectives of the fiscal system are a political question and any judgment about them will therefore be political. We, like any other mixed group, do not agree about politics." Some members of the committee, which included representatives of the TUC, CBI, financial institutions and other interests, believed that tax cuts were essential because of the overriding importance of small companies for increased investment, innovation, growth and employment. Others did not believe that taxation reforms were the best means of achieving the overall goals.

The committee did, however, agree that specific fiscal measures were needed to stimulate the flow of equity investment to small businesses from external sources. "We are agreed that the most effective way of securing this more limited objective is likely to be by specific reliefs rather than by across-the-board cuts in personal taxation."

To this end the committee recommended the creation of small firm investment companies, which would operate like investment trusts, but specialising in investment in unlisted companies only. Specific limited relief from personal taxation should be given for the purchase of shares in these investment companies.

The Conservatives' ideas are rather more radical than this, although no final conclusions on the shape of their small company package have yet been reached. They are considering introducing a business allowance—in line with the personal allowances given on income tax. The first £10,000 profit made by a company would thereby be entirely tax-free — a benefit likely to be appreciated far more by the small operator than ICI and the other industrial giants.

Smaller companies—defined as those with sales of less than £500,000 a year or less than 50 employees—could also be given simple permanent allowances to cover the effects of inflation, rather than the current stock relief scheme. For bigger companies the Tories are thinking of introducing a simple method of inflation accounting, which would be substituted for stock relief. This would provide a rough and ready way of establishing the level of real profits big companies had enjoyed in any year. Another idea is to grant new companies tax holidays for a certain number of years.

The most controversial idea the Conservatives are toying with is to provide tax relief on personal income used to fund enterprise. This proposal was advanced by the London Chamber of Commerce and Industry as a way of encouraging individuals to provide "risk capital" — something that is becoming increasingly difficult for small businesses to find.

The specific proposal of the London Chamber is that an individual should be able to obtain a deferment of income tax on a proportion of his taxable income or the sum invested (by way of share capital or loan) in a qualifying enterprise, whichever is the lesser. The proportion should be reasonable for the scheme to be effective, and a qualifying enterprise would be an unlisted company, partnership or sole proprietor carrying on a trade. Loans would have to be for at least a five-year period.

Deferred

The minimum amount of any claim should be £2,500, to avoid administrative problems for numerous small claims. The tax should be deferred until the loan or investment is repaid or realised, at which time the tax payable should be equal to that at the time of deferment.

Any income earned on the investment should not be liable to the investment income surcharge and the tax deferred should be relieved altogether if the loan or other investment is outstanding for 10 years. A sliding scale of relief should be given after five years. The gain from the ultimate disposal of the investment in the enterprise should, however, be liable to capital gains tax.

While the Tories acknowledge the difficulties of the scheme — mainly its attraction as a vhicle of tax avoidance — they believe the rough edges could be taken off to make it workable. It overlaps to some extent with the Wilson Committee investment company proposals.

Finally, in the pipeline are the changes proposed by various interest groups and which the Inland Revenue is known to have considered sympathetically. Some of these could be in the next Finance Bill. The change that will affect small businesses most is the possibility of some movement on "nothings."

The CBI has argued that the non-allowance of nothings puts British industry at a disadvantage with overseas competitors and discourages the setting-up of new businesses and expansion of existing ones. The relaxations of most interest to small businesses are likely to be over the cost of raising money and on other pre-trading expenditure that would be deductible if incurred after commencement of trading.

Two important costs for small businesses here are commitment fees for loan facilities and commissions for guaranteeing loans. The next Finance Bill could make both these allowable against corporation tax.

David Freud

Company Law

Initiatives to provide a fairer deal

A MAJOR PROBLEM facing legislators on UK company law over the past decade has been how to provide a legal framework which would apply fairly both to companies the size of ICI as well as to small businesses like the corner butcher's shop.

One solution currently proposed by the Conservative party is to provide a new class of company, the proprietary company, which would include a significant number of UK small businesses and which would be exempt from certain aspects of current company law.

Major areas of concern have been that many small businesses have to meet the same audit and disclosure requirements of the big multinationals. While ICI may have the manpower, time and financial support necessary to meet these requirements, the corner butcher's shop does not.

A discussion document published by the Conservative Party Small Business Bureau last year said: "A major weakness of British company law is the absence of distinction between large public companies with thousands fo shareholders and small private companies with only a few members, who often all belong to the same family."

It continued: "The cost of new legislation to the small businessman is huge and it is seldom appreciated that the time taken to absorb new requirements is time lost in managing his business."

However, the Small Business Bureau does not formulate official Conservative policy and there has been wide debate within the ranks of the party as to which kinds of companies should classify for proprietary status and, much more importantly, what benefits should be granted to proprietary companies.

There has already been one attempt by Tory backbenchers, led by Mr. John Cope, MP for Gloucestershire South, and Mr. John Wakeham, MP for Maldon, to achieve legal status for "proprietary companies."

The two MPs successfully pushed through an amendment to the Companies Bill—lost when the General Election was announced—which would have given proprietary company status to an estimated 450,000 small businesses on the UK company register.

Under the terms of the amendment all businesses with net assets of less than £1m and employing fewer than 200 workers would have been eligible to apply for prietary status. But this would only have been granted to companies where all the shareholders were also directors of the business.

However, the amendment was only won at the committee stage of the Bill because a Labour member of the committee was inadvertently away when the crucial vote was taken. The Government remained strongly opposed to the amendment and it is highly doubtful whether it would have survived if the Bill had reached the report stage.

In itself the amendment did no more than provide for a new class of company, and it was significant that a number of further amendments, proposed by the two MPs, which would have provided benefits were subsequently withdrawn—indicating perhaps some of the differences of opinion within the party as to how the problem of proprietary companies should be tackled.

Pegged

Tory backbenchers regard proprietary company status as being like a "clothes line" on to which certain benefits—mainly exemptions from certain legislative requirements and tax benefits—could be pegged.

However, current opinion at Conservative headquarters suggests that a Conservative Government would be unlikely to rush in with a series of new measures to assist proprietary companies, although it would probably introduce into company law a definition of proprietary company status when the EEC fourth directive on harmonisation of company law comes into force.

This directive is concerned with disclosure, format and filing of financial information of both public and private companies.

The most likely outcome is that a Conservative Government would seek to reduce disclosure requirements for proprietary companies when the directive is triggered. This does not rule out, however, the possibility that other benefits might be pegged to the proprietary company "clothes line" when other aspects of company law are re-examined.

The question of disclosure has been a major plank in the Tory's argument that small businesses have been put at unfair disadvantage by much recent company legislation.

Before the 1967 Companies Act private businesses with less than 50 shareholders were generally classed as exempt private limited companies and were not required to file accounts with the Registrar of Companies or appoint qualified auditors.

Since the 1967 Act all limited companies are required to prepare audited accounts, a copy of which must be filed with the Registrar of Companies and be available for public inspection.

The Small Business Bureau argues that the cost to small companies of maintaining a public record of their accounts is unreasonable and provides major competitors with highly sensitive financial information.

"It means in effect that a full range of sensitive accounting information of firms in the small business category is available to the public, although it is doubtful whether the information is much value other than to competitors," it says. "Disclosure puts a small firm at a competitive disadvantage in relation to large companies which are not required to disclose detailed figures showing the profitability of individual operating units."

There are a number of other benefits that the Small Business Bureau would like to see granted to proprietary companies. These were outlined in a discussion document published last year. The principal changes the Bureau would like to see are:

- Proprietary status granted to companies employing less than 50 workers and with an annual turnover of no more than £500,000;
- A comprehensive review of company law with a view to granting proprietary companies exemptions wherever appropriate;
- proprietary companies should be exempt from filing accounts;
- they should also be exempt from Industrial Training Board levies unless it "can be established beyond reasonable doubt that such a measure would be detrimental to the best interests of the industry";
- Invest income surcharge should be abolished to stimulate investment;
- Corporation tax levels should be further reduced for small businesses;
- Capital Transfer Tax should also be reduced "to preserve the continuity of small businesses";
- Proprietary companies should be exempt from the need to supply information for Government statistical purposes—thus saving on time and manpower which would be better served in managing a small business.

Measures

One of the measures favoured by John Cope and John Wakeham, who proposed the proprietary company amendment for the lost Companies Bill, is that small businesses should not have the same audit requirements as large multi-national companies.

Mr. Wakeham said: "Our amendment would preserve the auditing regulations but would allow the proprietary company to dispense with them if it wished and if it could get a certificate from its auditors which certified its solvency.

"If the auditors do *not* feel they can give this solvency certificate after a limited audit then the proprietary company would need to have a full audit and file its accounts at Companies House in the normal way."

There remains, however, a great deal of doubt about this and some of the other measures which it has been proposed should be introduced with the adoption of proprietary company status.

But it would appear that proprietary companies will play a role in a Conservative Government's plans to reduce some of the constraints of company law which the party believes have restricted the development of profitability of small businesses in this country.

Andrew Taylor

A loan from your NatWest bank manager will turn you into a big businessman.

Seeing your business grow bigger gives your NatWest bank manager a lot of personal satisfaction.

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A bigger business, sooner or later, will need bigger or improved premises.

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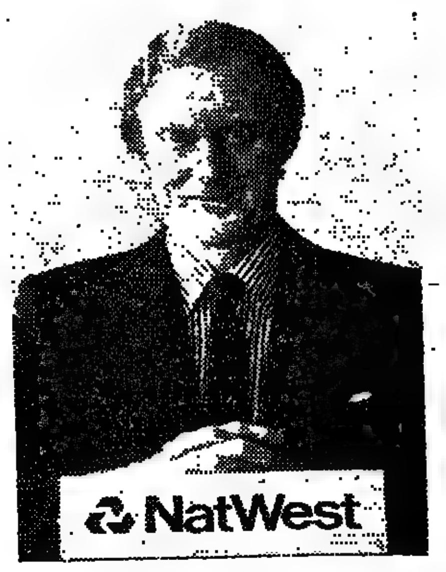
And short-term money based on your debtors can be arranged through Credit Factoring International. If your business could do with some financial inspiration, ask your local NatWest bank manager. He'd like that.

Just ask him.



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The City

Understanding its role

CITY INSTITUTIONS specialising in finance for smaller companies have over the past year or so been fighting something of a rearguard action. As the political and economic spotlights were concentrated more and more on the "plight" of the small company and on its potential in helping to spur an economic revival so were these institutions increasingly questioned as to whether they really were providing the service they purported to offer.

They argued that they were in fact doing their bit and that any deficiency in respect of small companies did not lie in the availability of finance. They argued their case publicly and in evidence to the Wilson Committee on financial institutions. Gradually it became more broadly accepted that perhaps they were telling the truth, and they were all no doubt relieved when the recent Wilson report on small company finance corroborated their collective view.

So does that mean institutions such as Industrial and Commercial Finance Corporation, Charterhouse Development Capital, Small Business Capital Fund (SBCF), Gresham Trust, Midland Montagu Industrial Finance and others, including independent merchant banks or subsidiaries of clearing banks, have been doing a good job?

In terms of money actually lent, the answer is that they have probably met the demands on them adequately. For it is undoubtedly true that actual demand for finance falls far short of the amount available—particularly if pension fund money is taken into account.

But there is no cause for complacency, for it does seem—without wishing to look deliberately for yet another gap—that there remains a need for more effective communication of what facilities exist overall. And in saying that one is not merely laying the blame at the door of the financial institutions themselves, for there are others, such as accountants and bank managers, who could help to spread the word.

This problem of communication and understanding among small company owners of the facilities available does not appear to be helped by the gradually increasing number of banking concerns moving into the market. American Express, for example, is getting more involved and more specialised concerns, such as Capital Partners International—which is backed by private money—are taking stakes in small companies.

Compared

A "club" of venture capitalists (providing in effect development capital rather than start-up finance) last year compared notes on their approach to assessing investment opportunities and came to the conclusion that they were broadly comparable. Members include the National Research Development Corporation (NRDC) — the Government - backed project finance group—County Bank (the merchant banking subsidiary of National Westminster Bank) and other familiar names like Charterhouse, SBCF and ICFC.

Similar though their approaches are, for potential customers it is often the fundamental differences that are considered more important when they are considering which institution they will borrow money from. For example, though ICFC and SBCF will use a broadly similar approach in assessing the viability of a small company, ICFC may seek only a small equity stake and will not want to be involved in the management of the company, relying on financial reports and the occasional telephone call to keep an eye on its investment.

SBCF, on the other hand, would probably want a larger equity stake and would want to be fairly closely involved in the management of the small company. This highlights a significant difference between the two—that whereas ICFC's executives are essentially financiers, the executives at SBCF are predominantly industrialists.

Then there are differences in the way the institutions will seek a running return and ultimate profit on their investments. Some rely largely on dividends paid on equity holdings, others on interest payable on some type of loan stock. NRDC is different again in that it basically receives a proportion of turnover resulting from the development of the project it has financed.

But even if a celarer general understanding of investment procedures helped generate increased demand, would that demand be satisfied? This raises a question about the structures of many of the financial institutions, the majority of which are small operations. ICFC is far and away the biggest financier of its type and makes anything between 600 and 700 investments a year when there is sufficient demand.

In contrast, most of the others at best make a handful of investments each and despite most having links with the vast resources of institutions like the Cooperative Insurance Society, Prudential Assurance and the National Coal Board Pension Fund, do not have the physical capability to raise their investment rate by a significant amount.

Very little in the way of changing investment trends has emerged over the past year or so other than perhaps the increase in the number of cases where managers are wanting to buy out their company from its owners. Disinvestment by conglomerates has been a factor here. David Marlow, general manager of ICFC, says that in a year of "considerable expansion" ICFC has done quite a few cases of backing managers, a trend which he considers "encouraging."

On the other hand only a small proportion of financing has been directed at expansion through investment in new factories, plant or permanent working capital, says Mr. Marlowe.

In contrast to Mr. Marlowe's assertion that the National Enterprise Board (NEB) has had no effect ICFC's activities, Mr. John Bowman, a director of Charterhouse Development Capital, admits that it has made things more difficult. He points out that some companies seeking finance are much more choosey—and can afford to be given the variety of facilities available—and that it is "difficult to compete against the NEB." This is because they do not apply "the same investment criteria," he says. The NEB is able to take a longer term view, waiting several years before it starts to get a return on an investment, and relying on long-term forecasts. Charterhouse, he says, has to seek an immediate return—"we have shareholders"—and is hesitant about forecasting anything over 18 months."

In one respect Charterhouse has shifted in its attitude. It is more willing to consider venture capital for start-ups—though on a modest scale—but denies that this represents a change in attitude resulting from outside pressures.

As for pension funds and institutions, Mr. Hugh Armstrong, managing director of SBCF, suggests that they are now more willing to "have a go" at channelling funds into small companies. He attributes this attitude to several factors—high inflation putting pressure on fund managers to seek out ways of increasing their rate of return, the general debate on small companies, the Wilson Committee which has made the major institutions re-examine their role and the fact that Wilson's spotlighting of the power of a handful of pension funds has made them look at their role more seriously.

Nicholas Leslie

Clearing Banks

Moves to broaden facilities

THERE ARE broad similarities between the debate currently going on in clearing bank circles about the proposed loan guarantee scheme for small firms, and the discussion which took place in the City three years ago about the supposed "equity gap."

In 1975-76 the prevailing view among the financial institutions was that there was no need for a new "bank" to provide equity finance for smaller quoted companies. Nevertheless, as if to prove a point, the institutions went ahead and set up Equity Capital for Industry. In 1979 the experiment seems to be looked on as a success, for ECI has not uncovered any significant amount of business.

The loan guarantee hare has been running around for several years. But it only came into vogue in the past year or so during the deliberations of the Wilson committee. Last month, in an interim report, Wilson recommended the establishment of a publicly underwritten loan guarantee scheme for small companies—as an experiment. The suggestion is that it should have a limited subsidy element but with some part of thse risk attached to the clearing banks.

Before Wilson's interim report the Government made it clear that it would prefer to see the big banks set up a scheme by themselves. However, this idea has not found much support from the clearers as a group. The big banks remain unconvinced that there is any need for such a scheme, but they are not prepared to say they will not take part in setting something up—eventually.

But while the clearing banks may be sceptical of the need for a loan guarantee scheme for small firms they have been quick to respond in other areas to criticisms that they are not doin genough for this sector of the economy. Business advisory services, special loan packages and small equity investment companies are among the more noticeable services which have been promoted. Altogether, if the truth be told, the "discovery" of small firms has presented the banks with a rare old opportunity to re-package and re-present ideas which have been around for ages—though there are a few recent innovations.

Possibly the most striking initiative was taken by Barclays Bank, which last year sent some 2,000 of its 3,000 bank managers on a one-week crash course in basic management accounting. The course was developed in conjunction with chartered accountants Arthur Andersen, and was designed to get the managers to look at small businesses in a more sophisticated fashion.

Barclays also has a Business Advisory Service for small firms. The service is available free of charge to Barclays customers, and generally consists of a consultant visiting the firm and writing a report about its systems needs. Typically, the greatest need encountered is for basic accounting records, as well as simple costing and budgeting. So far, some 6,000 reports have been completed by the service.

Leader

Impressive though these Barclays efforts undoubtedly are, it is Midland Bank that is regarded by small firm watchers as the leader of the clearers in the field of doing things for small businesses. It could be, of course, as some competitors suggest, that Midland has simply been more astute at getting publicity for its particular small firm projects.

The latest Midland announcement, which appeared by chance within three days of the interim Wilson report on March 18, referred to the creation of something called an Independent Business Banking Unit. This is designed to "co-ordinate Midland Bank Group's existing services to small businesses and to act as a focal point for research into and development of further services."

One of the first functions of the unit is that of administering a new long-term loan scheme for independent businesses "which, due to limitation of size, have no direct access to the capital market." The scheme provides for loans ranging from £20,000 to £500,000 to be made available for periods ranging from ten to 20 years to private companies, partnerships and sole traders for capital expenditure projects. Selected customers have the choice of a floating interest rate, linked to Midland's base rate, or a fixed rate for the duration of the loan.

Mr. Michael Wallis, a Midland assistant general manager, says the reaction after only three weeks of the announcement of the new loan package is encouraging.

Midland is involved in four separate projects designed to provide equity finance for small companies. Best known of these is Moracrest, a joint venture with Prudential Assurance and British Gas. Investments can run from as low as £50,000 or as high as £2m, though the majority are towards the lower end of that range. Mr. Wallis points out that Midland does not restrict equity stakes to existing and established companies. "We are prepared to look at start-up situations and high technology proposals."

Midland has not been the only clearer to announce new term loan arrangements following Wilson. NatWest followed up a week later by marketing business development loans of up to £100,000 for small businesses. Whereas previously NatWest would lend only for five years, or very exceptionally, seven years, it is now prepared "to meet a growing need" to extend the repayment term to ten years.

Lloyds Bank is expected to join the banks announcing new small firm loan schemes in the near future. It already has a business advisory service on lines similar to Barclays', and has so far completed around 1,000 reports for small firms. But Lloyds draws the line at equity finance. Companies requiring this type of funding are directed to ICFC, in which Lloyds has a stake.

The clearers' doubts about getting involved in equity financing—even on a small scale—are still evident. The recent announcement by Williams and Glyn's that it was transferring management of its 13 small firm equity investments to the independent Development Capital concern has not gone unnoticed. In future Williams and Glyn's will not be taking equity stakes. Why? Because there are better returns in developing the bank's branch network.

Michael Lafferty

Export Finance

Loans scheme

CASH IS still by far the most common method of payment for British exports—about 60 per cent of our overseas sales last year were met this way. Obviously it has an attraction for small companies, especially if it is cash in advance, as this solves one of the greatest problems facing small exporters—cash flow or pre-shipment finance while goods and services are being prepared.

Many exporters, however, including small companies, do sell on credit and the ability to offer credit may be as important in achieving a sale as quality of goods and delivery dates. Of the 12,000 policy holders on the books of the Export Credits Guarantee Department (ECGD), more than 2,000 have an export volume of less than £10,000 a year.

A case has been advocated for some time for a loans guarantee scheme to enable companies to obtain cheaper finance while preparing goods for export. At present a company needing pre-shipment finance usually has to rely on an increase in its overdraft at the ruling overdraft interest rate or borrow from a finance company at even higher interest rates.

Element

The Wilson Committee's interim report on financing for small companies, published last month, recommended that a publicly underwritten loan guarantee scheme, with a limited subsidy element and some part of the risk retained by banks should be set up on an experimental basis as soon as possible. The London Chamber of Commerce, which represents many small companies, also supports in principle a loans guarantee scheme for smaller businesses which would obviously help exporters.

Apart from access to reasonably cheap loan finance, the Chamber says its members see the cost of establishing a market in the first place as a problem for small companies.

Because of past criticism, the Government started on a trial basis last year the Market Entry Guarantee Scheme (MEGS) under the British Overseas Trade Board (BOTB).

In approved cases MEGS will contribute 50 per cent of eligible costs (for example, establishing an office overseas, sales promotion, legal cost) of a new entry initiative by a small or medium-sized company. MEGS puts a levy on future sales to recoup the investment and obtain a commercial rate of return on money lent.

In the case of the new market proving a failure, the losses are borne equally by MEGS and the company concerned. At mid-March the number of agreements in force was 23 for a total of £1.89m to be invested over the next three years.

Post shipment finance or credit to cover the period between shipment of goods and receipt of payment is probably the best developed area of export finance for small companies.

A large part of British exports which are not paid for in cash are sold on short-term (less than six months) credit and most of these are insured by ECGD against default in payment by a buyer and against political reason for failure to receive payment such as currency transfer restrictions.

The level of total British exports insured by ECGD has tended to fluctuate between about 33 and 37 per cent over the past few years. About 1 to 2 per cent are insured by private companies, although the ECGD is the only insurer against political risks.

For the first six months of last year £8bn of exports insured by ECGD on its Commercial Account left the UK; 88 per cent was in consumer goods and services sold on short-term credit. ECGD has a minimum premium of £50 a year and a charge for each £100 of goods and services covered. Last year this charge averaged 28p for each £100, but with recent rises in premiums, it is expected to be about 32p per £100 this year.

A policy holder must offer for insurance all his exports in both "good" and "bad" markets so that, as ECGD explains, the risk is spread. In 1977-78 the ECGD paid out £94m in claims and for the first six months of last year £60m.

In reply to criticism by small companies that premiums are too high ECGD claims that in real terms the cost of export insurance today is a quarter that of 20 to 25 years ago because of growth of business and the ability to spread the risk over a larger number of policy holders an markets.

Lines of credit arranged betwen British banks and foreign countries and underwritten by ECGD assist with export finance for small businesses exporting capital goods and services worth less than £1m. The UK currently has lines of credit with Egypt, Israel, Kenya, Mexico, Poland, Yugoslavia, Romania and the USSR.

On the security of an ECGD policy banks will often provide post-shipment credit to small companies to cover the period from the time of shipment to receipt of payment. The smaller the export volume, however, the larger the ECGD insurance premium is as a proportion of total costs.

At the beginning of this year the Midland Bank started a "smaller exports scheme" to assist companies with a small volume of export business which may not want an ECGD policy.

The scheme covers companies with an export business of less than £100,000 a year and offers export insurance from the bank's own ECGD policy. On this security the bank will extend post-shipment finance to the UK exporter at a cheaper interest rate than the overdraft rate and without prejudice to the company's existing overdraft level.

The scheme may be cheaper for some exporters as it is not necessary to offer all exports for cover as is the case with the usual comprehensive ECGD policy. Midland is hoping, however, that exporters will offer goods in safe as well as doubtful markets so as to spread the risk.

But, for the great bulk of British exports sold on credit, the ECGD remains the insurer. Among its services ECGD offers policy holders economic and political information on some 180 markets and maintains details of creditworthiness of individual buyers abroad.

ECGD advises exporters to seek information early as it takes time to check credit-worthiness. It also advises exporters who visit the country with which they are trading to try to obtain a credit agency or bank report on a buyer from that country.

Its new computer in Cardiff will speed some information supply. Each of the 10 regional offices will have visual display units and will thus have immediate access to information on more than 150,000 overseas buyers.

Patricia Newby

Employment Law

Job protection debate

ONE OF the casualties of the collapse of the Government last month was the Employment Opportunities (Small Businesses) Bill, a Conservative private member's measure designed to reduce the impact of recent employment protection legislation on the small business.

Had the Bill become law—which would have happened only in the face of strenuous opposition from Labour members and the TUC—companies employing fewer than 200 people would have been permitted to recruit staff on temporary two-year contracts, during which time no unfair dismissal claims could have been brought.

At present an employee can normally bring an unfair dismissal claim against his employer after he has been in continuous employment for 26 weeks. The only exceptions to this are of comparatively limited scope — the main ones cover employees above the normal retirement age, those who work abroad and part-timers working fewer than 16 hours a week (eight hours after five years' service).

The TUC told the Government that it was strongly opposed to the Bill, which it saw as a "substantial threat" to existing unfair dismissal provisions and this opposition is certain to be revived if there are efforts to introduce such a measure again in the new Parliament. In trade union eyes there is no justification for the individual rights of some employees being reduced purely on the basis of the size of the establishment in which they work.

It is certain, however, that an incoming Conservative Government would look again at the workings of the employment protection law introduced since 1974. The Party's election manifesto says that it will "amend laws such as the Employment Protection Act where they damage smaller businesses—and larger ones too —and actually prevent the creation of jobs."

The Conservatives have already assured the Small Business Bureau that they will consider the need for wider representation on the council of the Advisory, Conciliation and Arbitration Service (ACAS) following a complaint from Mr. Geoff Lace, the Bureau's administrative director, that the present council contained "not one person that could be even remotely considered as representative of small businesses."

There is fairly general agreement that the burden of the employment protection laws—like VAT, the Health and Safety at Work Act or any other legislative imposition—has fallen more heavily on small businesses than larger. Many small businessmen have to find time to cope personally with issues for which entire departments exist in big organisations.

There is, however, non consensus on the extent to which businesses, big or small, have been affected by the new laws. The Government drew considerable relief from a Policy Studies Institute investigation last year which suggested that employment prospects had not in general been inhibited by the new legislation.

Mixed

Another inquiry by Opinion Research Centre specifically directed at small businesses produced rather more mixed results. Only 2 per cent of the employers interviewed from small concerns employing fewer than 50 people in the clothing, electrical equipment manufacture, garage, travel agency and removal trades regarded the new legislation as the main difficulty confronting them in their businesses. A total of 54 per cent had no direct experience of the new laws and 88 per cent said that they had found none of them troublesome.

On the other hand 27 per cent said in reply to a specific question that they had found it "considerably more difficult" to reduce their labour forces because of the legislation, while 9 per cent had found it "slightly more difficult."

As a side-effect the Opinion Research Centre survey uncovered a high level of ignorance about the actual details of the new legislation—none of the employers interviewed could correctly answer every one of a series of factual questions about the provisions.

Notwithstanding this lack of understanding of detail, however, there is little doubt about which of the provisions are having most effect on employers. The impact of the Health and Safety at Work Act has obviously been felt widely but the unfair dismissal regulations are the most frequently voiced cause for concern among employers.

The dismissal provisions were not in fact a new feature of the current Employment Protection Act but were inherited from the 1971 Conservative Industrial Relations Act, and the industrial tribunals which hear complaints of unfair dismissal date back to the 1964 Industrial Training Act. However, the present Government tightened up the provisions by, among other things, removing an exemption for small employers which existed under the 1971 arrangements.

Today the tribunals hear about 46,000 applications a year and the great majority of these concern unfair dismissal. All cases are referred to ACAS conciliation officers before they get to a tribunal hearing and many are settled at this stage. Some employers have accused the ACAS staff of pushing too hard to get an "out of court" settlement, just as some have complained that Department of Employment officers are sometimes too keen on explaining to dismissed workers that they can make unfair dismissal claims.

A Social Science Research Council survey published by the Department of Employment last month, however, concluded: "The Department does not appear to be overstepping its role and although the role of ACAS officers is difficult to evaluate a significant proportion of applicants and employers find them helpful. A number of employers were found to have made a money settlement as a perceived cheaper alternative to going to a tribunal hearing but there is little evidence that applicants who think they will lose none the less pursue their claims in the hope of achieving some nuisance payment."

The occasionally expressed view that the employment protection legislation has put a stop to dismissals is mythical —the Policy Studies Institute inquiry found that 83 per cent of the plants included in its survey dismissed one or more employees for reasons other than redundancy during the previous 12 months.

Taking the companies included in the sample as a whole, the annual rate of dismissal was one per 102 employees, and one in every 14 of these had resulted in formal complaints of unfair dismissal.

Certainly, though, the rate of dismissal has come down. A 1969 study showed that 13 per cent of businesses employing 100-499 people had dismissed 6 per cent or more of their workforce during a year—the Policy Studies Institute found that by 1977 only 5 per cent of plants in this size-band had dismissed 3.5 per cent or more.

The financial implications of unfair dismissal claims can clearly impose a heavier burden on the smaller employer—not only in the cost of any tribunal award but in the possible need to engage solicitors, and lost working time. Trade unionists feel strongly, however, that it would be very wrong in principle to give some employees less protection under the law simply because they work for a small company.

Christian Tyler
Labour Editor

Government Support

System displays some lack of logic

A WIDE variety of spefic tax reliefs and other measures designed to be of help to the smaller firm have been introduced by the present Government in the last couple of years. Yet criticism of our fiscal system and its effects upon small enterprise has continued unabated.

The basic fault, according to the critics, is that we have evolved systems of taxation on income and capital with a view to raising revenue for the public sector and in the process to re-distribute income and wealth, we then run round in circles making concessions for smaller businesses.

What we should have done instead — and what we *should* still aim to do—is to devise taxation systems that are innately favourable to the seeding and growth of new business, and then worry about the other considerations.

A broadly similar criticism could be made of the various Government aid schemes and public sector agencies which offer financial assistance to industry. *With one or two* exceptions, none of these potential sources of finance exists specifically to help new businesses. *For the most part the* finance they provide to new *businesses is very limited* and tends to be ancillary to their other activities.

A more fundamental point is that the role of the public sector in providing finance for small businesses would be very much more limited (if indeed public sector assistance were needed at all) and the question of the adequacy *of private financial* institutions' arrangements for providing equity and loan finance to smaller businesses would be considerably less relevant *if it had not been for the* changes in the distribution of income and wealth which the taxation system has helped to bring about.

Enlarging

The traditional *sources of new* equity finance for smaller businesses, in this country in the past and to a considerable extent even now in the U.S. and *some other industrial countries,* are the capital funds of private individuals and the profits the individual entrepreneur earns and ploughs back into his business.

Taxation, however, has discouraged the accumulation of *retained profits and the injec*tions of new funds by the proprietors of small businesses, and in post-war years especially taxation has favoured contractual and other forms of institutional savings at the expense of other forms of private capital accumulation.

The decline of the private investor and the rapid growth of pension funds, insurance companies and other institutional *investors have created a new* kind of "Macmillan gap" which has been only partly filled by the emergence of new bodies like ICFC. The fastest growing in*stitutions, the building societies,* are barred from making any equity investments at all, while the others are constrained by administrative considerations in the extent to which they can invest in small companies.

Similar considerations of administrative cost — together with lack of knowledge on the part of small entrepreneurs and *perhaps also an aversion to* becoming entangled with the Government bureaucracy—apply to many of the Government's own arrangements for assisting *industry.*

Regional aids, it is true, are an exception. There is no *lower limit on the size of pro*jects which may be considered for regional assistance under Section 7 of the 1972 Industry Act; and the lower thresholds for regional development grants, which are provided automatically and not *selectively on the* basis of specific criteria like Section 7 assistance, are trivial in amount.

But, as the Wilson committee pointed out in its interim report on the financing of small firms, most of the sectoral assistance schemes under Section 8 *of the* 1972 Industry Act have minimum project *sizes* which effectively debar the smallest firms.

Better

In a number of instances the thresholds have been reduced *with a view to reducing the dis*crimination against small firms. Yet, as the Wilson committee commented, there is always a temptation to use thresholds to *restrict the number of potential* applicants for reasons of convenience rather than as a result of any conscious balancing of the benefit against the cost.

The Selective Investment Scheme—which, like its predecessor, the Accelerated Projects *Scheme, is limited neither* sectorally nor geographically—is deliberately confined to the largest projects costing a minimum of £500,000.

*Even in the case of Govern*ment aid schemes tailored specifically for the small firm—such as the small firms employment subsidy—one can find forms of discrimination which debar certain categories of small business.

This particular scheme was extended last year both in scope and in duration. But outside the assisted *regions (special develop*ment, development, and intermediate areas) and the inner city partnership areas, it is confined to manufacturing industry and excludes service firms. If the purpose of the scheme is to encourage *small employers* to take on new recruits during a period of high unemployment—as indeed is the case—it is hard to see the logic of this restric*tion.*

The range of facilities provided by the various public *sector agencies cannot more*over, be said to be sufficiently comprehensive to offset the discrimination against certain categories of small enterprise present *in* the Government's own industrial assistance schemes. Most of the innovative *projects supported by the* National Research Development Corporation, which was set up some 30 years ago, have lain within the field of smaller companies, it is true.

But there are no equivalent bodies in England *which fully* match the activities of the Scottish Development Agency and the Highland and Islands Development Board (HIDB) in *Scotland, the Welsh* Development Agency and the Development Board for Rural Wales (DBRW), and the Local Enterprise Development Unit in *Northern* Ireland.

The Council for Small Industries in Rural Areas (CoSIRA), the body in England broadly corresponding to the HIDB in Scotland and the DBRW in Wales, is limited to rural areas and to country towns with *fewer than* 15,000 inhabitants, is debarred from advancing equity, and cannot invest in certain service activities, such as retailing. The National *Enterprise Board has so far* invested in barely a handful of really small businesses (though it has recently set up a joint venture with the Midland Bank *to invest in small businesses in* the Northern Region).

Some local authorities ha[ve] begun *in recent years* to gi[ve] financial assistance to new [and] established businesses a[nd] several inner city authoriti[es] have been given addition[al] powers by last year's Inn[er] Urban Areas Act. But only [in] *a few instances,* usually und[er] the powers provided by priva[te] Acts, have local authoriti[es] advanced equity finance.

As suggested at the outs[et] *however, the remedy may not* [be] to widen the scope of Gover[n]ment and public sector agen[cy] arrangements so as to redu[ce] the discrimination against n[ew] *and established small firm[s].* Like the Wilson committe[e's] proposals for the creation [of] Small Firm Investment Co[m]panies, with special tax pri[vi]*leges, and for changes in co[m]*pany law which would pern[mit] small firms to issue redeemab[le] equity, these would be on[ly] palliatives.

Instead of addressing ou[r]selves to the symptoms, atte[n]tion ought to be focused on t[he] underlying causes of the di[ffi]culties small entreprene[urs] face in attracting and retaini[ng] capital finance—which are to [be] found in the system of taxati[on].

Colin Jon[es]

HP and Leasing

Options to be considered

LEASING AND hire purchase have *vied with each other for* some time now as sources of finance suitable for corporate expansion.

It is worth saying straightaway that the argument is probably futile since the merits of both methods depend almost entirely *on individual cases. Hire pur*chase may have been around for longer but from recent statistics it appears that leasing is now gaining the upper hand.

Certainly its growth during this decade has been phenomenal: over the past ten years *new business* handled by members of the Equipment Leasing Association (ELA) increased ten times. Moreover the latest figures from the ELA, which claims to account for four fifths of the leasing industry, show that new business during 1978 amounted to £1.2bn, a rise of about 80 per cent on the £675m of new assets acquired *for leasing in 1977.*

Others dispute these figures—mainly because of the uncharted growth of non-financial lessors—with some estimates of total *leased assets topping £2bn.*

Hire purchase, meanwhile, is no pedestrian partner but its growth last year was somewhat less dramatic. At the end of 1978 total outstanding liabilities of the Finance Houses Association totalled £4.3bn, of which £1.7bn *related to business* customers (excluding leasing, of course). This was 28 per cent higher than the figure of £1.33bn at the end of 1977.

Leasing has therefore become a strong challenger to the business end of hire purchase, much *in the way that credit cards* have competed with HP in the High Street.

Small companies, however, should not be carried away by these *figures, particularly* by leasing's seemingly remorseless growth. Each method has, of course, its own staunch adherents but it is generally acknowledged that the merits of these forms of capital finance depend largely on the tax and cash *position of individual companies.*

Each case should be treated separately and it is important for small companies seeking to expand in these ways to sound out *independent advice first.* This has not always happened in the past.

For instance, large companies with strong reserves would no doubt not *think twice about* leasing if the rates were competitive. Smaller companies *with a small* asset base, on the other hand, might in many circumstances be better *advised* to concentrate on enlarging it.

The essence of leasing is that *the user or* "lessee" never actually owns the equipment—whether car, computer, digger or bulldozer. The company providing the finance has legal title to the *goods.*

With HP the owner is the user and after a period of monthly *instalments* (hence the phrase "instalment credit") the customer completely pays *off* the cost of the equipment.

This fundamental distinction between leasing and hire purchase is important because it is the owner of *capital* equipment who is able to claim the Government's generous capital allowances. As a reward for buying a new piece of machinery, a car or an item for the *office,* companies are permitted to offset the full value of this equipment *against* taxable profits and therefore defer paying this tax for a full year.

For a variety of reasons however—it may already be claiming *stock relief* or using up previous tax credits—a small company may not have *sufficient taxable* profits to take advantage of these 100 per cent first year capital allowances. This is known as not having sufficient "tax shelter."

The same *incentives,* however, are extremely attractive to companies with large taxable profits, like banks and finance houses, *unable in their normal* business (through stock *relief, for* example) to take advantage of their tax shelter.

For this reason it is the big clearing banks—with their leasing subsidiaries Lombard North Central (NatWest), Mercantile Credit (Barclays), Midland Montagu Leasing (Midland), and Lloyds Leasing (Lloyds)—*which dominate the market.* These groups buy the equipment, claim the allowances and pass on the benefits to the user (or "lessee") in the form of *lower* rentals.

Some observers feel that in some cases not enough of the capital allowances are passed on to the lessee and for this reason it may be cheaper in the long run to buy the asset outright or use HP.

It is difficult, particularly for the small company whose resources are often limited, to compare leasing and hire pur*chase. Leasing rates are quoted* in £s per £1,000 of equipment; by contrast HP committments are more neatly set out in the form of a fixed sum at the beginning of the agreement *plus* regular monthly payments thereafter.

The current boom in *large*-scale or "big ticket" leasing means that small companies may experience some difficulty in finding lessors prepared to lease *small items, and because* rates are likely to be proportionately higher at this end of the scale, HP *in these instances can be a* better bet.

The main point to remember, however, is that there are no hard and fast rules and each company should consider the options with regard to its own financial position. Many of the *big companies offer leasing and* hire purchase, while Industrial and Commercial Finance Corporation Leasing, thanks to its close relationship with ICFC, claims to provide all-round advice on corporate financial requirements.

Car leasing has *shown* the most spectacular growth in the past year—motor cars purchased for lease in 1978 totalled £343m—against £57m in 1977—but many people *feel* it is vulnerable to legislative change. This is because leasing *companies* can obtain 100 per cent capital allowances for cars whereas the relief available *to* industrial companies owning their own cars is limited to 25 *per cent a* year, with an overall write-off ceiling of £1,250 for each car.

Small companies must weigh up the choice of leasing or hire *purchase (or indeed* other forms of medium-term finance) on the basis of rates *available* and their own individual requirements. Both can offer great *flexibility* and can be arranged so that periods of positive cash flow coincide with rental payments or hire-purchase payments.

One advantage of leasing which is often put forward, though not always by the industry itself, is the facility it offers as off-balance-sheet finance. Apart *from* the impact of rental payments on cash flow, the effect on a lessee's balance-sheet is nil. A leased asset is not capitalised in the account—in *other words* it does not have to be shown under indebtedness. Lessors are against capitalising these assets but there is a big and as yet *unresolved debate* on this in the accounting profession.

Leasing and hire purchase *are* still highly popular forms of capital finance. Leasing has recently *grabbed* the limelight, partly, as some of its supporters admit, because it has suddenly *become fashionable.* Small companies should therefore take extra care to consider all options.

Tim Dickson

FINANCE FOR SMALL COMPANIES VI

Big Companies' Involvement

Concern to reduce unemployment

DURING THE past year a growing number of large companies have developed ways of helping small businesses to start up and expand. This does not usually involve the direct provision of finance but involves ways for them instead to acquire many other assets and skills they may be lacking. It is usually based on a sound commercial outlook by the large companies which are prepared to spend money helping solve the problems of small businesses but are not prepared to offer them special financial terms as subcontractors and suppliers.

The main reason why large companies are doing this is that they have become increasingly worried about both the long-term effects of Britain's high unemployment rate, especially among young people, and about the decline of inner cities. Along with politicians of all the main political parties, top industrialists realise that it is the interest of ther own companies that they should help halt the decline of small businesses because it is the small rather than large concerns that are most likely to take on extra labour during the next few years. Small companies can also help to bring decaying city centres to life and are also needed by the large companies as innovators, suppliers and subcontractors.

Large companies involved in the initiatives include Shell UK, BP, ICI, Pilkington, BOC International, IBM, Cadbury Schweppes, Marks and Spencer, Tesco, the British Steel Corporation, and financial institutions such as Midland Bank, Barclays Bank and the Industrial and Commercial Finance Corporation. Some have done work in their own localities so that, for example, the Pilkington "company town" of St. Helens or the community surrounding a steelworks may have a chance of surviving when its large local employer sheds labour and closes plants. Other companies like Shell UK and IBM have developed their initiatives over a wider front.

Several

There are several ways that large companies can provide help. It can be done through internal reforms so that small companies' bills are paid promptly and small businessmen are given adequate opportunities to bid for subcontract work and purchasing orders. A large company can also provide expert help to solve particular managerial and technical problems, either on an ad hoc basis or by seconding staff for perhaps two or three years. It can also provide land and buildings where small businesses can develop, and it can sell off unwanted product lines or subsidiaries to new owners.

Such help can also be channelled through a multitude of organisations that have sprung up recently. One of the oldest is the Action Resource Centre, which acts as a clearing house for secondments, while the most recent is the London Enterprise Agency set up earlier this month by nine large industrial and financial concerns in conjunction with the London Chamber of Commerce and Industry.

Two men have been particularly responsible for encouraging interest among large businesses. One is Mr. Michael Pocock, chairman of Shell Transport and Trading, who devoted his Ashridge Lecture two years ago to the subject under the title "More jobs: a small cure for a big problem." The other is Mr. Harold Lever, Chancellor of the Duchy of Lancaster, who during the past 18 months that he has been co-ordinating the Government's small companies policies, has underlined the role of large companies. Mr. Lever has also linked up with Mr. Peter Shore, Environment Secretary, so that the Government's small firms and inner city policies have been promoted together.

Mr. Pocock said he believed that large-scale industry, while fulfilling its over-riding duty of remaining efficient and profitable, also had a duty to help in its own localities with employment and other problems. "If we want labour mobility, jobs in depressed areas, the rebirth of urban centres, then we must encourage the small business and accept the imperfections and inequalities which may come with it," he declared.

He recommended that a large company should have a positive management policy for supporting small companies and should reflect this policy in its purchasing and contracting. It should also find ways of helping small companies with sites, space and equipment which might be surplus to its own needs and should consider providing "credit or financial pump priming" for new small businesses.

More recently Mr. Lever spelt out his own ideas on the subject. He acqnowledged that businesses might be suspicious of a large company's largesses and could well wonder whether it was "A Trojan Horse or a gift horse." But Mr. Lever was sure that the idea was "not only well-intentioned but makes very good sense and is potentially very important."

He suggested two main areas where large and small companies could find a "mutual interest." One was "commercially based" where a small company had a commercial relationship as supplier, subcontractor or customer to a large company. The other was "broadly based" where there was a common interest in the local economy, community and environment. Help could then be channelled through special organisations like the London Enterprise Agency.

Following Mr. Pocock's lecture, Shell UK surveyed its own internal behaviour towards small companies. Out of this has emerged the Shell Small Business Initiative which covers a number of developments, and has been encouraged by Shell UK's chief executive, Mr. John Raisman.

Bills

Shell's survey showed that it dealt with a large number of small companies but that its treatment of them could be improved, especially on the payment of bills. Its main conclusion, not surprisingly, was that the best help Shell could give was to buy more goods and services from them. As a result Shell managers around the country have been told to make sure bills are paid promptly and that they have facilities to handle small companies' non-standard invoices. Purchasing procedures have also been reviewed to try to ensure that small companies know about Shell's purchasing and other requirements.

It was also suggested in the survey report (prepared by a Shell marketing executive together with a civil servant seconded by the Department of Industry) that surplus land could be made available to small businesses and that more advice and expertise could be given to them either directly or through intermediate agencies. As a start, on the surplus land idea Shell is making a two-acre site on the edge of its Wandsworth oil terminal on the Thames in South London available to the London Enterprise Agency for a small companies' estate. It is also seconding a property executive to the Agency to help develop this and other projects.

A Shell Small Business Unit was set up to administer the range of initiatives that resulted from the report. These include an academic research review on small companies, a business competition for small companies in the north organised with a local agency called Enterprise North and Durham University Business School, and a New Enterprise Development Project supported jointly in Durham with ICI and the Industry Department. Shell has also been the prime mover behind the London Agency.

It has also seconded a 50-year old former marketing manager, whose job vanished in an internal re-organisation, to be the manager of the Birmingham Action Resource Centre, and a younger marketing executive has been seconded for two years to a small electronics company, Datapod of Woking.

Companies such as Shell often find that secondments are mutually beneficial to them and the small business, although some small business organisations complain that the seconded executive can often take a long time to adjust to the scale and informality of his new surroundings. He can also find it difficult—and in some cases impossible—to re-adjust when he returns to his old company.

IBM has had formal secondment arrangements for some time and has a fixed quota of one secondee for every 1,000 of its UK employees. This means that it has 15 executives absent at a time at a cost of about £250,000 a year in pay and benefits.

The advantages that such large companies believe they gain include broadening the experience of the seconded executive into retirement, as well as the opportunities offered to influence community and local planning and to advertise their "social conscience."

Booklets

Ideas for helping small companies to become suppliers to large businesses have been taken up by the Government, which is to publish two booklets dealing with the public sector and with recommended good practice, and by the Institute of Purchasing and Supply.

The Institute has held a couple of conferences on the subject and various bad, as well as good, practices have emerged. While some companies lend management and even money to help small suppliers, others have a positive policy of boosting their own liquidity by delaying the payment of bills—something which can hurt and maybe even kill off a small business. Many large companies also have such complex standardised procedures that small companies have no chance of competing on equal terms with larger competitors.

Some large companies also damage small concerns by adopting dual-sourcing policies which may make regular production difficult. The remedies suggested are that large companies should place orders in quantities that small companies can manage and should remember that a relatively insignificant act like cancelling a smallish order or returning faulty goods may break a small business if it is not handled carefully. They should also pay bills promptly.

Many of these purchasing and other ideas are of course not new and have been practised for some time by various companies. But the sudden surge of interest in the subject has, not surprisingly, made small companies curious of the large companies' motives. Most small businessmen value their independence and do not want to be dominated by one multinational's orders and largesse. The large companies concerned are well aware that their initiatives can be dismissed as simply the latest "social responsiblity" propaganda craze. But they insist that what they are doing is in their own "enlightened self-interest" and is also beneficial to the small firms concerned and the community.

John Elliott

Useful part to play

ONE OF the games that politicians, civil servants and leaders of representative organisations like to play is inventing, merging, unscrambling and closing down institutions. Indeed the game has been played with such fervour in the UK over the past decade that politicians now are doing their utmost to avoid committing themselves to any very radical initiatives. This is because it is becoming generally recognised that the creation or abolition of an institution for ideological reasons is, more often than not, a counter-productive act.

As a result, while an institution like the National Enterprise Board is promised a new but restricted lease of life by Conservative politicians who three years ago were determined to close it down, other ideas like the setting up of a Small Business Agency are put on a back shelf.

Most politicians in the current general election campaign have shown little interest in such an agency and there is no sign yet of any firm proposals from either of the two main political parties to set one up in the near future.

This is despite the fact that the Wilson Committee report on small businesses, published last month, did say that such an agency might well be needed. It is to return to the subject in its final report during the coming year. In the meantime it rested on somewhat confusing conclusions to the effect that while such an agency was probably needed, the Government could set up an English Development Agency as a first step or, if that proved to be too much, it could just extend the functions of CoSIRA to include the provision of equity to small concerns.

But there was clearly some interest among the members of Sir Harold Wilson's Committee in finishing up with the sort of Small Business Administration that exists in the U.S. and, under a number of different guises elsewhere in Europe. It was pointed out that such an agency could be responsible for administering a guarantee scheme for clearing bank loans and could also complement and take over the functions of CoSIRA with similar small companies aid for urban areas. Once an agency was set up, it could be given other tasks as well, and would almost certainly take over the Industry Department's small companies counselling services and maybe other functions of the Department's small companies division.

But neither Conservative nor Labour politicians are sure what sort of bank or other guarantee schemes they might be prepared to back, and so are lukewarm about an agency. The Industry Department is obviously jealous for its small Companies division. Civil servants also generally prefer to keep the reins of power (in this case the awarding of financial and other aid) in their own hands, and so may well not press for an independent agency to be created.

For the time being it seems therefore that the small businessman will have to continue to struggle to decide which of all the sources of help available to him are the best for his needs. Ironically, the greater the political and industrial interest in helping small businesses, the more difficult it becomes for the businessman to decide where to turn. This is because, in addition to all the various sources of finance, there are also a mushrooming number of private sector initiatives linking up with local councils, chambers of commerce, charities and universities, as well as to the Government's own agencies.

The following articles look at three of the most important sources of managerial and other help that are available. One is in the public sector — CoSIRA. The other two are in the private sector and show how large companies have tried to help small businessmen in the North-East and in London.

J.E.

Government and other agencies

CoSIRA

THE COUNCIL for Small Industries in Rural Areas (CoSIRA) has come a long way since its genesis as the purely advisory Rural Industries Bureau in 1921. The product of an amalgamation in 1968 of the Bureau, the Rural Industries Loan Fund and the rural industries organisers formerly employed by Rural Community Councils, CoSIRA now functions as one of the Development Commission's main agents in regenerating the business life of rural England.

Since the award of a new remit to the parent Development Commission four years ago, in which it was charged with the creation of 1,500 jobs a year in rural England up to 1985, CoSIRA has been working with both a new management organisation—the old unwieldy Council of Management being replaced by a smaller board of directors—and a new set of priorities pegged to the Commission's job creation programme.

Its prime concerns now are to help businesses in the Development Commission's Special Investment Areas and the government's Assisted Areas, together with those in rural areas identified by CoSIRA's Small Industries Committees as requiring special attention. These have come to be known as "pockets of need," and have been identified in otherwise more prosperous parts of the country outside of the Assisted and Special Investment areas.

Operating this year on a modest budget of some £6m, CoSIRA carries out much of its role through the provision of locally-based expert advice, technical and management services, specialised training facilities and loans.

Not least among its activities, however, it operates as the agent for the design, construction and management of the Development Commission's advance factories and workshops outside the Assisted Areas—a programme to which the Commission has given over-riding priority. From a mere 5,300 sq ft of space completed three years ago, CoSIRA last year completed or had under construction 21 new factories or extensions providing over 65,000 sq ft. Overall, CoSIRA is involved in over 250 advance factories already approved for the next few years with sizes ranging from 850 sq ft nursery units to 5,000 sq ft buildings.

Beyond this formal remit, CoSIRA also endeavours to respond to requests for help from eligible businesses in all rural areas, particularly those providing an important service to local communities, seeking to provide additional or diversified employment—or indeed trying to protect existing jobs.

CoSIRA's role of improving the prosperity of existing small businesses in the countryside is achieved first through the supply of advice from its full-time Small Industries Organisers, at least one of whom is based on every English county. These in turn can call on the advice of local voluntary committees — the Small Industries Committees — which work closely with local and county councils on a wide variety of problems.

Apart from advice, CoSIRA is lending some £5½m this year on buildings, equipment and the provision of working capital. Up to £50,000 is available to any one enterprise, with loans on buildings repayable over a period of up to 20 years and those for plant or working capital up to five years. Normally loans are made at the National Loan Fund (NLF) rate—3 per cent below Base Rate; but for projects with particularly bright job creation prospects—and if the cost per job is right—a further discount of 3 per cent on the NLF rate is possible.

CoSIRA's services and loans currently are available to manufacturing and servicing business employing not more than 20 skilled people and located in rural areas or towns of not more than 10,000 population in England (small businesses in Scotland and Wales come under the aegis of their respective Development Agencies). In Development Areas only, CoSIRA can also help those engaged in the tourism trade. It cannot help agriculture, professional firms or the retail trade — a remit which is considered unnecessarily restrictive by CoSIRA's chairman Clive Wilkinson. The retail trades issue is of particular concern, and in fact CoSIRA is now looking in principle at a pilot scheme for assisting the retail trades, on the basis that their disappearance from rural areas has in itself contributed significantly to depopulation.

It has also invested considerable resources in training facilities at Wimbledon, mainly in the skills of the traditional rural industries, and its client firms are encouraged to take on apprentices through grants to employers of up to £1,000 a year for each apprentice.

Although the funds available to CoSIRA have increased enormously—this year's allocation is 400 per cent up on last—they are still minute compared with Department of Industry incentives. "Even the Scottish and Welsh agencies have three times as much to spend as we do," points out Mr. Wilkinson.

That situation may yet be improved as a result of last month's Wilson Committee Report on Financial Institutions. This urged that CoSIRA be allowed to advance equity and that its remit be formally extended to cover retailing. The latter would be welcomed by CoSIRA, the former is regarded with some caution. "It would only be acceptable on a buy-back basis," observes Mr. Wilkinson.

John Griffiths

London Enterprise Agency

THE LONDON Enterprise Agency was set up earlier this month by nine financial, industrial and commercial concerns to provide aid to small businesses. It is based on the London Chamber of Commerce and Industry offices in the City and is probably the most ambitious co-operative aid project yet developed to revive the fortunes of both inner cities and small businesses.

Its founder members are Shell UK, which has co-ordinated preparatory work over the past year, IBM, Marks and Spencer, BOC International, BP, GEC, Barclays Bank, Midland Bank and the Industrial and Commercial Finance Corporation. They have subscribed about £20,000 each to the initial annual budget of £200,000 which will be spent on administrative costs and research and consultancy fees. More member companies may be recruited later.

The Agency has no money of its own to channel into small companies but one of its jobs will be to help small businessmen obtain the equity and loans they need from banks and other institutions. Clearly, access to the Midland, Barclays and the ICFC will be eased because they belong to the agency; but they each insist that they will not be offering any preferential terms.

The idea of the Agency emerged early last year from discussions among various companies. Mr. Peter Shore, Secretary for the Environment, then invited a group of company chairman to a dinner last June at which Mr. Harold Lever was also present, so linking the twin interests of reviving inner cities and stimulating small businesses. A paper proposing the creation of an agency to help with inner city small businesses' problems was presented by Lord Byers, the former Liberal politician, who is now a consultant to Marks and Spencer. At the suggestion of Mr. John Raisman, Shell UK's deputy chairman and chief executive, a working party of most of the interested companies was set up, and the agency was launched earlier this month.

Tesco was on the working party but is not a full member because it believes that too much reliance should not be placed on small concerns to help inner city blight. But it will provide help to the agency. The two clearing banks—Midland and Barclays—were not on the working party but are full members, as is GEC despite considerable scepticism voiced at Mr. Peter Shore's dinner by its managing director, Sir Arnold Weinstock.

The agency is headed by a director Mr. Brian Wright, who was the economics director of the London Chamber. Its staff consists of three executives seconded by the founder member companies. In addition, the representative of each of the companies on the agency committee is available for help and will be responsible for providing access to his own company's experts when needed for a specific problem.

One of the Agency's objectives is to develop small companies' estates containing central services. It is making a start on a two-acre site provided by Shell UK in Wandsworth on the edge of an oil terminal. The Agency will also provide help and advice to other similar co-operative projects in the London area. One of its founder members, Mr. David Davis, a former Marks and Spencer stores manager, is, for example, on the Board of the Lambeth Industries Project which is converting a former Pye television factory into small company units.

The Agency has taken over the London Chamber's "starting up in business service" which provides general counselling and training, courses and conferences, and it is intended to make use of the experience of existing small businesses so that a service similar to that of Enterprise North is built up.

Reports will be prepared on London area problems and a register is to be drawn up of resources available from large companies, including seconded executives and temporary expert help. Small companies approaching the Agency therefore either receive advice from one of its staff, or from its representatives in the member companies or from experts in the companies themselves. A bureau is also envisaged linking up executives in large companies who wish to invest in small concerns with small businessmen. There will also be contacts with the Industry Department's counselling services.

J.E.

Enterprise North

IN THESE days of harsh economic realities it stretches credibility that a group of businessmen should voluntarily give up some of their time to give free advice to budding entrepreneurs and small businessmen. Yet that is precisely the concept that lies at the heart of Enterprise North.

The project was set up some five years ago by Herbert Loebl, a successful businessman in the Tynside area. He was so convinced that a substantially increased number of business formations was essential to any revitalisation of the North East that he persuaded a small group of established businessmen to form groups and give the benefit of their experience to others.

Today Enterprise North operates seven "panels" in the area embracing Northumberland, Durham, Cumbria, Cleveland and Tyne and Wear. Each panel comprises around five practising businessmen whose collective experience generally embraces accountancy, production, marketing, engineering and service industry. They will provide advice on proposals for a new business venture in their area.

Discussion between the panel and a budding entrepreneur might range across perceived and unperceived problems and ways of overcoming them. The panel might also suggest ways of improving a proposal and, if it is felt relevant, might introduce the entrepreneur to banks and other sources of assistance. Though most panels will consider any type of business proposal—excluding retailing—the emphasis in the past has been on manufacturing and industrial services.

This counselling is entirely confidential and free of any charge. The introductions to the panels are made by a central co-ordinator. Initially this task was carried out by Mr. Denis Crow at Newcastle Polytechnic. But when he left the Polytechnic the task was taken on by Durham University Business School (DUBS)—fast establishing itself as a force in the small business sector in the North-East), where for the last three years it has acted as a focal point for Enterprise North, disseminating inquiries as they come in and passing on those felt worth while to the relevant panel.

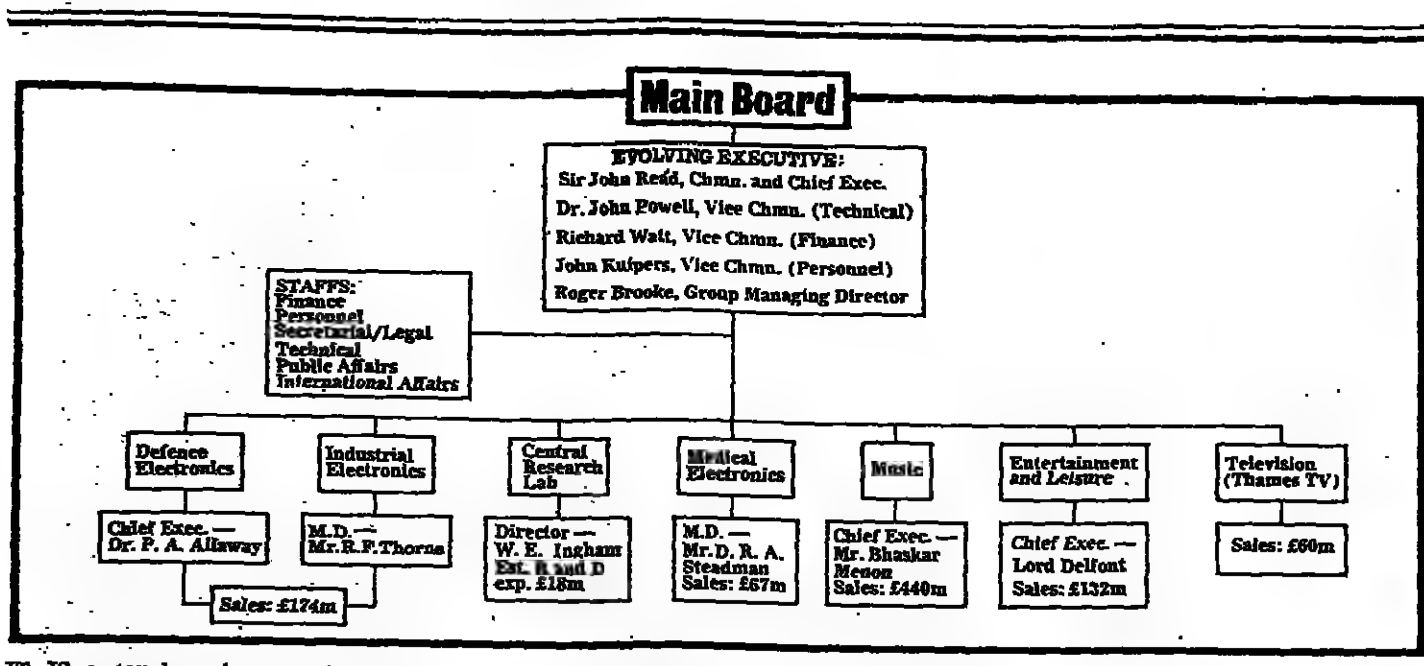
The co-ordinator, who is attached to the DUBS Small Business Centre, initially had a part-time role, financed by the Department of Industry. But since 1977 this job—carried out by Mr. Derek Craven, who has a small business background himself—has been full-time on a three-year funding by the DoI. There is also now a research officer—financed by the Joseph Rowntree Charitable Trust—and an officer who co-ordinates the relationships between large companies and new ones (he has been seconded for three years by ICI). Additionally, Shell (UK) is financing for one year a research officer who is looking into the effectiveness of the Small Business Centre and Enterprise North.

The close links between Enterprise North and DUBS have been extended into yet another area recently with a "Build your Own Business" competition, sponsored by Shell (UK), which is now in its closing stages.

The co-ordinating centre for proposals that may be assessed by Enterprise North is at Durham University Business School, Mill Hill Lane, Durham, telephone, Durham 41919.

N.L.

THE MANAGEMENT PAGE



EMI's interests range from the brilliant, but expensive X-ray scanner and the Selfridge and other hotels, to flops like the Sex Pistols, and hi
like Kate Bush, and the Oscar-winning film, the Deer Hunter.

EMI puts its talents under the scanner

BY NICHOLAS COLCHESTER

IT IS a tough assignment to consolidate the position of an over-extended medical electronics company in the face of companies like Siemens, Hitachi, Philips and General Electric of the U.S.

It is a challenge of a very different sort to master a large music business, at a time when the cassette tape recorder is leaching sales out of the record market, and when companies like Columbia and Warner Brothers are competing vigorously for what remains.

Mr. Roger Brooke, 48, will take *on both* these *jobs*, and more, when he becomes group managing director of EMI in *June. He will* also have to establish for himself the authority he needs to do them, because the whole top management structure at EMI is in a state of flux.

This major British company *is a* conglomerate which has yet to develop that clear-cut pattern embracing independent decentralised managements under a watchful central eye that is the hallmark of the most effective of its type.

Diversification

EMI was formed as the result of a merger in 1931 to be a maker *of* gramophone equipment—what would today be called consumer electronics *equipment. It diversified in* two directions from this central product line. On one hand it became a sophisticated electronics company and defence contractor, developing the BBC's first television system and later *some of the* first British radar equipment. On the other, it became a force in the music and record business.

In the early post-war years EMI operated with declining success as a loosely knit confederation of subsidiary companies. With the arrival of Sir *Joseph Lockwood as chief* executive in 1954 the company's management was centralised and in the years till *1969* the company was run by Sir Joseph in a personal and powerful way. *These years* saw the dwindling of EMI's consumer electronics business and the rise of the musical side.

Capitol *Records of* the U.S. was acquired in 1954 to make EMI one of the world's major record *companies. From the* early 1960s onwards EMI profited immensely from music —*and in* particular from the Beatles. In the last part of that decade the company used its *musical* wealth to move beyond music into entertainment and leisure. It bought the Grade *Organisation*, and with *it* Lord Delfont, and the ABPC (Associated British Picture Corporation) cinema business and has *since built on this* to become one of the world's important film companies.

Sir John Read became *chief* executive in 1969. Before joining EMI in 1965 he had worked for 19 years with Ford in the UK. There he had handled a number of senior jobs, including finance, administration, *personnel*, general management and marketing and when he left was director of sales for the UK.

In steering EMI's product development Sir John's main contribution was to harness EMI's electronic skills. He realised that the EMI research laboratories, largely occupied with the development of defence equipment, should be deployed into other activities. One of these was the development of the fire and burglary protection business—the group bought Associated Alarms and *Minerva Fire Defences* in 1969. But by far the most spectacular new excursion was the EMI X-ray scanner.

If the 1960s were years of *music and entertainment* for EMI, the greater part of the following decade were years of *advanced and extremely* expensive technology. Sir John Read installed Dr. John Powell from *Texas Instruments* as group technical director in 1971. Technology was and is Powell's *strong* point and his first task was to carry out a "technological audit" of EMI to bring its unrealised skills out into the open. His most exciting discovery was the work of Godfrey Hounsfield. This EMI scientist *had developed the basis for the* Computed Tomographic X-ray scanner.

Sir John Read allowed the pendulum *to swing back to a* more decentralised style of management—indeed, with the size that EMI *had by now* acquired and with individuals like Lord Delfont in charge of *parts of it, to have held sway* over the whole group would have been some feat.

Yet it is probably fair to say that a "*seat of the pants*" *style* of management has persisted at EMI to this day. This style of *control has been both flexible* and fallible. It was flexible enough to allow EMI to seize the brilliant discovery of the scanner and mount a headlong attack, with no previous experience, on the largest manufacturers of X-Ray equipment in the world.

It was fallible in that disasters *often seemed to catch* the EMI management almost unawares—a period of sudden heavy *losses* for Capitol records in the early seventies; the use*less purchase of* Voxson, an Italian TV manufacturer; in 1972; and the recent relapse of *the medical electronics business.*

In the recent past the image of EMI has been dominated by the ups and downs of the EMI scanner. *The* group decided to go it alone and develop this invention into a product range in 1972. It delivered the first scanner to a customer the following year. Over the next two years EMI became the darling *of the stock market* on the strength of the scanner.

It was during this time, too, that the competition emerged *and rapidly* developed—Ohio Nuclear (which owned Technicare), Pfizer, General Electric, Siemens and *Philips. But EMI* reaped the benefits of a two-year lead. Scanner sales quadrupled from £5m in 1974 to *£20m in* 1975 and then doubled and doubled again to £93m in 1977.

Then a variety *of problems* hit EMI all at once and a profit of £14.7m on scanners in 1977 became a sudden and startling *loss of £13m in* the year to June, 1978. The market in the U.S., in which EMI had invested much *of its effort*, evaporated, partly because the Carter Administration put a curb on spending by hospitals and partly because EMI was leapfrogged by General Electric of the U.S. which produced a body scanner *of greater speed.* EMI's *terms* of sale became increasingly adverse—in particular a 30 per cent *down-payment* for each machine had to be abandoned.

At the same time EMI's costs were soaring. Its research and development bill for the badly *needed new range of scanner* machines was daunting—in 1978 it was running at £1m a month. Moreover EMI was saddled with *promises* to update the machines of some of its early customers and to provide free service to *others for an initial period.* The market had caught up with EMI with a vengeance.

With the benefit of hindsight it is clear that EMI's brave *decision to go it alone with the* scanner involved a number of errors of judgment:

1. EMI underestimated the difficulty of protecting with *patents*, a "software" invention —Hounsfield had invented a new principle rather than a new *machine.*

2. EMI *underestimated* the resources of finance and management it would need to stay ahead once the *formidable* competition got moving. A product like the scanner struck straight at one of the major product *lines.* X-Ray equipment, of companies like Siemens.

3. EMI allowed its engineers scope for too many variations in the product. This lost economies of scale and made the *task of providing service more* complicated.

4. EMI spread itself too thinly in selling the machine. It rightly concentrated on the U.S. and was most unlucky that the backlash against medical spending *developed there in the way it* did. But elsewhere EMI made individual sales in areas where *it had no infrastructure of X-ray* engineers. The service commitment was onerous.

A new EMI range of scanners *is now almost ready for* delivery and the group already has 50 orders for its new top-of-the-line machine, the 7070. *Meanwhile EMI has taken steps* to pull together the management of its medical electronics business, to *remove the split* between the operations inside and outside the U.S. and to solve problems of integrating SHM Nuclear, an American company specialising in radio therapy equipment which EMI *bought at the height of its* scanner enthusiasm in 1976.

A new managing director of EMI's medical electronics division. David Steadman, moved in at the end of last year. With his appointment, a reorganisation of EMI at divisional level *is complete. Previously EMI* consisted, at this level, of a mixture of geographical and product divisions. Sir John Read *has now established a* structure. with the aid of McKinsey, of world-wide groupings *differentiated only by* product and each with its own managing director and finance director. *For instance*, the international music business interests have been drawn together under Mr. Bhaskar Menon. The details of the different divisions are given in the diagram.

At the top level the path towards today's management structure has been an erratic one. In 1974, when the scanner was EMI's major pre-occupation, Dr. John Powell became managing director, with Leonard Wood as assistant managing director responsible for the music interests outside the U.S. *In 1976 Richard Watt* was made a second assistant managing director with responsibility for finance.

Triumvirate

By 1977 it was clear within EMI that a major problem was *brewing* in the scanner business. It became vital to let John Powell concentrate on *facing this threat* without distraction from EMI's other interests. So a triumvirate of managing directors was created *with each man taking on an* odd mixture of responsibilities. Mr. Watt took charge of leisure and *finance.* John Kuipers coped with personnel and music outside the U.S. Dr. Powell looked after research and *medical electronics.*

It is implicit in what has happened since that this set-up proved most unsatisfactory. Sir John Read today has the exhausted look of one who has tried to run a large bewildering business al[...] *single-handed for a year.* [...] has concentrated on buildin[...] the capacity of the division[...] *run themselves efficiently* their new format. "[...] been a dreadful year," he s[...]

The three managing direc[...] were made vice-chairmen in[...] summer of 1978. In their [...] positions they are able to o[...] *see the technical, financial* [...] personnel developments wi[...] the group, but they will ha[...] *decreasing amount to do* [...] day-to-day line management[...]

So the stage is set—perh[...] one should say *left* bare—[...] the arrival of *Mr. Roger Bro*[...] He started his career a[...] diplomat and after 11 y[...] moved to *the* Indus[...] Reorganisation Corporation[...] organisation set up by [...] *Labour Government in the* 1960s which zealously set a[...] restructuring sectors of Br[...] industry. After the IRC [...] disbanded in 1971 he becar[...] director of S. Pearson and S[...] a company whose inter[...] *include newspapers,* bank[...] publishing, leisure and t[...] ware.

It will *be his function* [...] become the linchpin in the [...] formalised McKinsey-style s[...] ture that EMI has now adop[...] It will be his task to dev[...] what Sir John calls [...] "interface" between the op[...] *tions in their very diffe*[...] business worlds and the cen[...] control that is embodied [...] monthly *meetings* of divisi[...] chiefs with the executive. [...] object of the exercise [...] surely be a smoother pro[...] *sion for the group as a w*[...] instead of the roller-co[...] ride between triumph [...] disaster which EMI's ra[...] ad hoc management style [...] delivered so far.

Business courses

Effective Forecasting for Managers. Bradford, May 30-June 1. Fee £130. Details from Management Centre, University *of Bradford*, Heaton Mount, Keighley Road, Bradford, West Yorkshire.

Project *Management* '79. London. June 4-7. Fee $675. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2.

Coping With Numbers. London. May 23. Fee £70. *Details from London Business* School, Sussex Place, London NW1.

Europe's Product Liability Briefing. Brussels. May 2-4. Fee BFr 24,000. Details from Management Centre Europe, *Avenue des Arts* 4, B-1040 Brussels, Belgium.

The Law and Purchasing. *Leamington Spa.* May 14. Fee £60. Details from Purchasing Economics, 35 Station Square, Petts Wood, Kent.

LOMBARD

Believing the manifestos

BY MALCOLM RUTHERFORD

THERE IS a curious view around that Party Manifestos don't matter. Even more so, it is said that the political parties have no intention of putting their promises into practice. This is the cynicism of the electorate rather than the cynicism of the politicians.

Nothing could be further from the truth. The Manifesto is the clearest statement you will get of a party's intentions. It may still not be very clear for all that, but that is beside the point. What matters is that if you want a guide to what a party will do in office, you will not find anything better.

The Labour Party Manifesto of October, 1974, was fulfilled almost to the letter. One can imagine Mr. Callaghan going through it from time to time ticking off the items one by one. Indeed, in the few cases where the pledges were not carried out they have been repeated in the Manifesto of 1979. Thus it was proposed in 1974 to take "ports, ship-building, ship-repairing and marine engineering, and the aircraft industries into public ownership and control." The ports legislation was partially lost along the way, but it is not surprising to find that the promise reappears in 1979—the only specific commitment to further nationalisation in the current Manifesto.

Pledge

Even where a Labour Government might not like a particular Manifesto promise, it still recognises that it is vested with a special importance simply by being there. The great unfulfilled pledge of the 1974 document was the failure to replace the Official Secrets Act. Mr. Callaghan did not much like the idea, but his reluctance to do anything cost him dearly among Labour (and Liberal) intellectuals. Thus the promise is there again in 1979.

Yet if the electorate remains unimpressed by this doctrine that the Manifesto matters, officials are not. For them it is the first firm indication of what an opposition party might do if it comes to office, and even the Manifesto of a governing party can contain some surprises (witness the proposed defence cuts in the current Labour document). It is the signal to start preparing alternative policies.

Foreign diplomats, and some foreign journalists, seem to take the Manifestos equally seriously. Political advisers to the Labour Party say that they have been inundated by questions from (let us say) the Ruritanian Embassy asking: "Just what do you mean precisely by sentence number 5 on page 34?"

The people who take the Manifestos most seriously of all are the politicians themselves, and rightly so. In the Labour Party in particular, but by no means in the Labour Party alone, there has usually been a battle about what goes into them. When the Manifesto is complete, the politician can point to this or that section and say "This is party policy."

The approach can be very useful in dealing with senior officials. A Minister can go to an official and say "Look, I know you may not like this, but it's in the Manifesto. It's what we were elected to do." The Minister may speak in a bullying or a conciliatory way, but usually the official will understand and set about implementing the particular policy.

Equally, the Manifesto can be waved at the party conference. The Minister can argue that the pledges are being steadily carried out. The Manifesto indeed has become the written test by which a government judges itself.

Of course, the Manifestos can still be full of internal contradictions. But in a curious way they only further underline their importance. The contradictions show how seriously the various factions in a party try to get their own views included. Thus the Labour Manifesto 1979 contains the following sentence: "The Labour Government will ensure that imports enter our market only within acceptable limits."

There is no specific commitment to anything, the meaning obviously depending on how one defines (and on who defines) "acceptable limits." But the sentence could be read as a sign that the import control wing of the party has succeeded in putting down a marker for the future. Certainly that is how it will be taken by some members of the Labour Party.

The Manifesto is therefore rather more than a preview of the Queen's Speech on behalf of the party that comes to office. Not only does it tell you what a party will do: it also tells you what a party will continue to quarrel about.

A very malty dram from Islay

WHISKY

BY EDMUND PENNING-ROWSELL

IT IS well known that the consumption of "single" malt whiskies has increased considerably in recent years. Previously, although a few distilleries kept a small proportion of their production to mature and be bottled as "singles," notably Glenlivet and Glen Grant, nearly all went for blending. It was Grant's Glenfiddich on Speyside that about 20 years ago first went out to promote its "single malt," which has become the biggest seller of them all. Distillers Company, owning nearly two-thirds of the nearly 120 malt distilleries, preferred to keep its production for its blends, although public demand has obliged or encouraged it to bottle a small number, including the excellent Speyside Cardhu, and Talisker on Skye.

Yet even as late as 1971 domestic consumption was so small that the Customs and Excise kept no separate figures for duty payments on malt whisky in the UK. The following year the total amounted to 221,000 proof gallons, just 1.75 per cent of total whisky consumed in Britain. But it has been going up ever since, and last year amounted to 468,000 gallons, which represented 2.48 per cent of total consumption, 50 per cent up on the 1972 figures. It is still a tiny proportion, but nevertheless a significant increase—for the single malts are more expensive than the blends, and many are sold at higher than the normal 70 proof, involving a marked increase in duty.

Of these single malts, the most malty are surely those from the island of Islay (pronounced Iler), lying out in the Atlantic to the west of the Mull of Kintyre.

Malt whisky, like cognac, is double-distilled in pot stills and requires keeping beyond the three years for which all whisky must be matured in wood in Britain before it is allowed even the name. A good single malt should be matured for at least eight years in oak casks and there are those who believe that the maturation period should be extended at least into double figures: though after too long it can become woody.

Probably all blends of Scotch will contain a small proportion of malts from one of the eight distilleries in operation on Islay, though the lighter the whisky the smaller the percentage. For the Islay product is so pungent that in a blend in which the malt accounts for between 20 and 40 per cent, the Islay content will not exceed a half or 1 per cent. Out of a total malt production last year of about 90m proof gallons, the Islays will have accounted for about 5m gallons, some of which will, of course, have been exported, mostly in bulk.

Why have they this particularly pungent flavour, described by some as antiseptic—or medicinal-tasting? The short answer is that Islay may fairly be summed up as one big peat bog—or peat moss, as it is called there. Much of the quality and style of a malt whisky depends on the degree to which the barley is peated in the kiln in which it is malted. For example, while a Speyside kiln in the Highlands may use 1 ton per malting (or 3 cu yds as it is normally measured), the DCL-owned Scottish Malt Distilleries maltings at Port Ellen on the island will use 10 tons. Moreover, Islay peat contains six or seven times more phenols than the peat employed in Highland malts.

These impregnate the barley and contribute strongly to the flavour of the whisky. It is suggested there that the local peat is influenced by the proximity of the sea, and this gives it a seaweedy or iodine flavour. But the final product does not emerge quite like that.

The lightest of the Islays is Bruichladdich, situated on the west side of the broad Loch Indaal, which spreads on to the small amount of level land on the island. Bowmore is nearly opposite, but the other six distilleries are all, romantically sited on the edge of the sea, originally for ease in receiving the barley and despatching the whisky. Ardbeg, Lagavulin and Laphroig are all on the south side looking across to the Antrim coast 22 miles away or to the long mountainous neck of Kintyre. The other two distilleries, Caol Ila (pronounced Ca-eela) and Brunnahabhainn (pronounced, as near as the non-Gael can get, as Bunaharven) are on the Sound of Jura, looking over to the lofty paps of that island, whose fewer-than-200 inhabitants are greatly outnumbered by the deer. There is a malt distillery there, too. It was reopened in 1963 after many years, and produces an agreeable, softer, and far less peated malt than on Islay.

A Scottish malt's character is determined not only by the peat but by the water, which can vary greatly over quite small distances.

It is also influenced by the shape of the fine copper stills. Because the exact causes of these variations are not precisely known, the malt distillers are among the most conservative of spirit producers.

What, then, do these very individual Islay whiskies taste like? Unfortunately, only one of the DCL distilleries, Lagavulin, is normally open to visits, and the other two do not bottle their malts separately. But as they are all supplied from Port Ellen with the same kind of malted barley, it may be assumed that they taste broadly similar, water and other fine differences apart. Nor does the independent Brunnahabhainn have its whisky bottled, though I heard that it is shortly to be marketed.

Lagavulin is a big, fairly heavy whisky, but less heavily concentrated, less "tarry" in flavour than Laphroig, which is Islay at its most Islayish: a big, strapping whisky, full of aroma and flavour; a malt for the dedicated. It is now bottled at 70 proof when 10 years old, and some believe that Islays should be at least 75 proof. Certainly the most outstanding "dram" that I enjoyed on the island was a 14-year-old Laphroig at 5 over proof. Drunk, as all malts should be, 50-50 with the local water, it appeared, with the added age, to have lost some of its insistent quality. Enjoyed by some; others find it excessive.

Lagavulin, bottled at 12 years with a strength of 75 proof, is softer, less powerful and with some sweetness on the palate. Ardbeg, the third of the chain of south seashore distilleries, is sold at 10 years old and 70 proof. It struck me as drier than the others, more austere than Lagavulin, less tarry than Laphroig; a fairly tough but typical Islay. Bowmore, which has no date on the label, but is, I was informed, bottled at eight years old and 75.7 proof, has a sweeter aroma, is softer than the previous three and has a *full, round flavour*.

It drank particularly well when diluted 50-50. The lightest of all is Bruichladdich, also an eight-year-old not labelled as such. It has a rather scented, slightly sweet nose, and is easy to drink for those uninitiated into the Islay style.

Islay Mist is a blend of Laphroig and certain fine Speyside malts, blended with grain whisky. Obviously, it is much lighter than the pure malts.

After tasting together all five that are bottled, my personal placings were Bowmore and Lagavulin equal first (depending on the style one prefers), Laphroig third, Bruichladdich fourth and Ardbeg fifth. This is no reflection on Ardbeg, but merely expressed an individual preference. The best way to test this is to visit this beautiful, friendly island, which has other attractions than whisky, such as bathing (the Gulf Stream ameliorates the water temperature, as the peaty water softens the whisky), golf, shooting and at least one agreeable hotel.

Main Reef for trials triumph

RACING

BY DOMINIC WIGAN

HENRY CECIL, who scored seven successes from 11 runners last week, saddles Main Reef for the Ladbroke-sponsored Blue Riband Trial Stakes at Epsom.

Although the son of Mill Reef has yet to make his mark in the style of One In A Million, Kris or Lyphard's Wish he may be his trainer's best chance of a first Derby victory.

The one-length conqueror of Lake City at Sandown last May, Main Reef brushed aside Sir Chris in another Royal Ascot event, the Chesham, before showing his best juvenile performance in Newmarket's July Stakes. The Newmarket colt showed not only his class but tremendous reserves in both courage and determination with a victory over Stanford, Sanders Lad, Imperial Fling and Moulin.

Flat out fully three furlongs from home and the subject of several reminders Main Reef would not give up in spite of appearing defeated on two occasions.

Although Cecil considers Main Reef too slow to join Lyphard's Wish, Kris and Rorval on the Rowley mile in 11 days he is adamant that the Derby is the colt's chief target.

Cecil, who probably holds the strongest classic hand since his father-in-law, Sir Noel Murless, harvested both Guineas and the Derby in 1967, cannot be far out in his assessment of Main Reef so anything but a win will surprise me.

Should Main Reef or one of Mill Reef's other representatives land a classic this year many pundits and breeders will reflect on the prediction that the National Stud stallion would "never make it as a sire." The Derby and Arc winner was responsible in 1978 for the winners of the English, Irish and French Derbys, the Prix Lupin and the Park Hill Stakes.

Every supporter of British racing owes a debt of thanks to the Virginian, Mr. Paul Mellon, who could well have returned Mill Reef to the more lucrative breeding pastures of the U.S.

EPSOM

2.00—Itsabongo
2.30—Sea Ballad*
3.05—Water Colour
3.35—Main Reef***
4.10—Honey Grove
4.45—Record Breaker**

'Green Belt in peril' warning

PARTS OF London's Green Belt could be threatened by Government planners, an environment watchdog group claimed at the weekend.

The National Housing and Town Planning Council said the Government was prepared to offer full protection for the belt only up to a 15-mile border. But the belt was over 25 miles deep in places. This put the extra 10 miles in jeopardy.

TV/Radio

BBC 1

† Indicates programmes in black and white

6.40-7.55 am Open University (Ultra high frequency only). 12.40 pm News. 1.00 Pebble Mill. 1.45-2.00 The Flumps. 3.25 Pobol y Cwm. 3.53 Regional News (except London). 3.55 Play School. 4.20 Animal Magic. 4.40 Tarzan. 5.00 John Craven's Newsround. 5.05 Stopwatch. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.10 One More Time (London and South-East).
7.40 Sykes.
8.10 The Good Old Days.
9.00 Election Broadcast by the Labour Party.
9.10 News.
9.40 It's About Time.
10.35 Campaign Report.
11.15 Multi-Racial Britain.
11.45-11.50 Weather / Regional News.

All regions as BBC-1 except at the following times—

Scotland—5.55-6.30 pm Reporting Scotland. 6.30-7.10 Question Time. 7.10-7.40 The McAlmans Plus. 11.45 News and weather for Scotland.

Wales—4.40-5.05 pm Tren Sgrech. 5.55-6.30 Wales Today. 6.30-7.10 Election '79 Campaign. 7.10-7.40 Heddiw. 8.10-9.00 Dallas. 11.45 News and weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.30 Scene Around Six. 7.10-7.40 Score for Sport. 11.45 News and weather for Northern Ireland.

England—5.55-6.30 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 7.10-7.40 East: Spot On! Midlands: The Cheapest Show on the Telly. North: It Seems Like Yesterday. North-East: Tuesday North. North-West: Surprisingly It's Spring. South: The Gateways. South-West: Peninsula. West: Movie Magic.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
4.50-6.55 pm Open University.
6.55 Snooker.
7.20 News.
7.30 Making a Bob or Two.
7.55 A World About Us Special.
9.00 Party Election Broadcast.
9.10 Call My Bluff.
9.40 Man Alive: Hospitals.
10.30 Snooker. The Embassy World Professional Snooker Championship.
11.10 News.
11.40 The Old Grey Whistle Test.

LONDON

9.30 am Noddy. 9.40 Unseen Hazards. 10.00 The Nature of Things. 10.50 Animated Classic. 11.35 Showjumping with Harvey Smith. 12.00 Just So Stories. 12.10 pm Daisy, Daisy. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Racing from Epsom: 2.30, 3.05 and 3.35 races. 3.50 You're Only Young Twice. 4.20 Get It Together. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames At Six.
6.25 Help!
6.35 Crossroads.
7.00 Tuesday Comedy: Dirk Bogarde, Brigitte Bardot in "Doctor At Sea."
8.30 TV Eye.
9.00 Election Broadcast by the Labour Party.
9.10 ITV Playhouse.
10.10 News.
10.50 Behind the Lines: Eritrea.
11.50 For Better For Worse.
12.20 am Close, with Michael Burrell reading a poem.

ANGLIA

9.35 am Cartoon. 9.40 Butlin's Grand Masters Darts. 10.10 England their England. 10.35 Friends of Man. 11.00 A Big Country. 1.25 pm Anglia News. 2.00 Houseparty. 3.50 The Electric Theatre Show. 6.00 About Anglia. 7.00 What's on Next. 7.30 Charlie's Angels. 12.20 am Christians in Action.

ATV

9.55 am Angling Today. 10.20 A Reason for Living. 10.45 The Entertainers. 11.10 The Love Boat. 1.20 pm ATV Newsdesk. 3.50 Stars on Ice. 5.15 Gambit. 6.00 ATV Today. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 McMillan. 8.50 Special Edition. 11.50 Snooker.

BORDER

9.30 am Carry On, Don't Lose Your Head (film). 11.10 Wildlife Cinema. 1.20 pm Border News. 2.00 Houseparty. 5.15 Out of Town. 6.00 Lookaround. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 11.50 For Better For Worse. 12.20 am Border News.

CHANNEL

1.18 pm Channel News. 3.50 The Electric Theatre Show. 5.15 Survival. 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 9.00 Encore. 10.48 Channel News.

GRAMPIAN

9.25 am First Thing. 19.30 "David Copperfield" (film), starring Richard Attenborough. 1.20 pm Grampian News. 3.50 Stars on Ice. 5.15 Gambit. 6.00 Grampian Today. 6.05 Out of Town. 7.00 Survival. 7.30 Charlie's Angels. 12.20 am Reflections. 12.25 Grampian Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Tuesday Matinee: Glenn Ford in "Terror on a Train." 1.20 Dodo. 3.50 Gambit. 5.10 Captain Nemo. 5.15 Crossroads. 6.00 Granada Reports. 7.00 Emmerdale Farm. 7.30 Charlie's Angels.

HTV

9.25 am Cash and Company. 10.15 George Hamilton IV. 10.45 Survival. 11.10 Rolf Harris Show. 1.20 pm Report West. 1.25 Report Wales. 3.50 Stars on Ice. 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 All Snails and Sauerkraut? 7.00 Definition. 7.30 Get Christie Love (film), with Teresa Graves.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 6.30-7.00 The Quiet Ways of Wales. 7.30-8.30 Welsh Nurse of the Year. 8.30-9.00 A Sharp Intake of Breath. 10.30-11.15 Bywyd. 11.15-11.45 World in Action. 11.45-12.15 am Maggie and Her.

HTV West—As HTV General Service except: 1.20-1.30 Report West. 6.15-6.30 Report West.

SCOTTISH

9.30 am Wild River Journey. 10.05 Film: "Maya," starring Clint Walker. 1.25 pm News and Road and Weather. 3.50 Home and School. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 7.30 The Six Million Dollar Man. 11.50 Late Call. 11.55 Stars on Ice.

SOUTHERN

9.30 am Untamed World. 9.55 Cash and Company. 10.45 Space 1999. 1.20 pm Southern News. 3.50 Heart to Heart. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 7.00 Emmerdale Farm. 7.30 Streets of San Francisco. 10.50 Behind the Lines. 11.50 Southern News. 12.00 For Better For Worse.

TYNE TEES

9.25 am The Good Word. 9.30 Inner Space. 9.55 "Ivanhoe" (film) with Robert Taylor and Elizabeth Taylor. 1.20 pm North East News. 1.25 Hustings '79. 3.50 Time to Spare. 5.15 Mork and Mindy. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 10.50 Behind the Lines. 11.50 Hustings '79. 12.25 am For Better, For Worse. 12.55 Epilogue.

ULSTER

10.00 am "Bridal Path" (film) with Bill Travers. 1.20 pm Lunchtime. 3.50 Stars on Ice. 4.18 Ulster News Headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 7.30 Charlies Angels. 11.50 Gardening Today. 12.20 am News.

WESTWARD

9.25 am Friends of Man. 9.50 "The Assassination Bureau" (film), with Oliver Reed. 12.27 pm Gus Honeybun. 1.20 Westward News. 3.50 The Electric Theatre Show. 5.15 Survival. 5.40 News. 5.55 Election Broadcast: Workers' Revolutionary Party. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 10.48 Westward News. 12.15 am Police Surgeon. 12.40 Faith for Life.

YORKSHIRE

9.30 am Friends of Man. 10.00 Rainbow. 10.15 Tarzan. 11.10 The Lost Islands. 1.20 pm Calendar News. 3.50 Stars on Ice. 5.15 Sam. 6.00 Calendar. 7.00 Emmerdale Farm. 7.30 Election Calendar. 8.00 The Jim Davidson Show. 11.30 For Better For Worse.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary; Weather. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S), including 2.45 Sports Desk Racing from Epsom. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.40 Election Broadcast by the Conservative Party. 6.45 Sports Desk. 7.02 On The Third Beat (S). 7.30 Talk '79 (S). 8.02 Tuesday Night is Gala Night (S). 9.02 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Variety Club. 11.02 Brian Matthew with Round Midnight, including 12.00 Newsroom. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

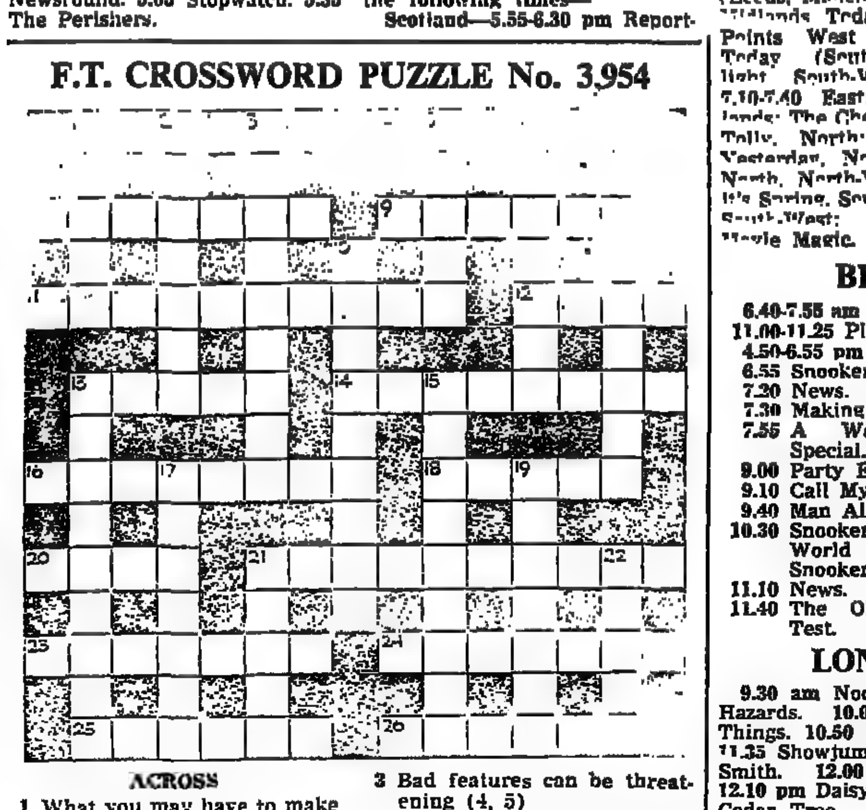
‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 9.55 Songs by Franz and Hindemith (S). 10.30 Concert Club—Chamber music, Part 1 (S): Mozart, Shostakovich. 11.35 In Short. 11.45 Concert Club, part 2: Brahms (S). 12.25 pm BBC Welsh Symphony Orchestra Concert, part 1: Mozart, Berlioz (S). 1.00 News. 1.05 The Arts Worldwide. 1.25 BBC Welsh SO, part 2: Nielsen (S). 2.00 Choir of St. John's College, Cambridge, Concert, part 1 (S). 2.40 Interval Reading. 2.45 Concert, part 2. 3.30 Tamas Vesmas piano recital (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Mozart in Arrangement (S). 7.30 The Atkinson People (S). 8.00 BBC Symphony Orchestra concert, part 1: Berlioz, Debussy (S). 8.35 Freud in France. 8.55 BBC Symphony Orchestra, part 2: Debussy (S). 10.10 One of the Damned (S). 11.25 Building a Library (S). 11.55-12.00 News.

VHF only: 6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.45 Story. 9.00 News. 9.05 Election Call: 01-580 4411. 10.00 News. 10.05 Local Time. 10.30 Service. 10.45 Story. 11.00 Thirty-minute Theatre (S). 11.30 Weigh In. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.05 Without Limbs. 3.35 Westward Ho! 4.30 Announcements. 4.35 Story Time. 5.00 PM News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 Many a Slip. 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 The Year of the Child. 8.45 The View from Voyager. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.40 The News Quiz (S). 11.05 Book at Bedtime. 11.20 Financial World Tonight. 11.35 Election Platform. 12.00 News. 12.15-12.23 am Shipping Forecast.

F.T. CROSSWORD PUZZLE No. 3,954



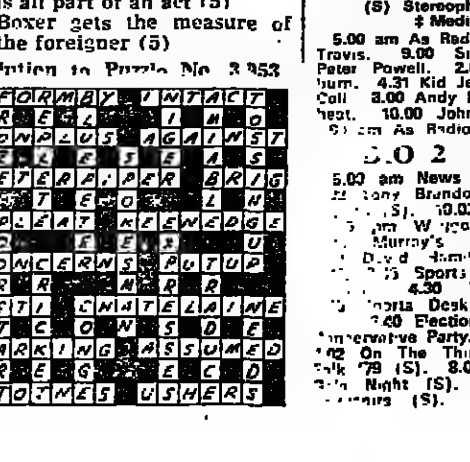
ACROSS

1 What you may have to make if wrongly routed (6)
4 Long-winded one over 50 comes in next month (6)
8 Country house includes an *aromatic flavouring* (7)
9 Kind learner in a bond of union (7)
11 Youths fall over with drinks all round (10)
12 Back this for 6 (4)
13 Address to the lobby ring (5)
14 With it sets and how they unite musically (2, 6)
16 Everyone on board is at a loss (3, 2, 3)
18 Hood questions my belonging to the orthodox church (5)
20 Where to dine in confusion (4)
21 She has to phone an amateur in Norfolk (10)
23 Communist chap can be insured (7)
24 Retires with Poles in an *Italian city* (5, 2)
25 In the finish the girl followed (6)
26 We have to cut North to the river (6)

DOWN

1 Crazy about the right sketch (5)
2 Unimportant test about six (7)
3 Bad features can be threatening (4, 5)
5 A car you can be master of (5)
6 Gaul mob upset with muscular ailment (7)
7 "As curst and shrewd as Socrates' ———" (Shakespeare) (9)
10 Hints it must arise among the residents (9)
13 He includes a measure with the Archbishop as a plant (9)
15 Confused dig at true thankfulness (9)
17 Corresponds to cardinal points in Roman art (7)
19 Naive dean with the French streaker (7)
21 A display of temper, but it is all part of an act (5)
22 Boxer gets the measure of the foreigner (5)

Solution to Puzzle No. 3,953



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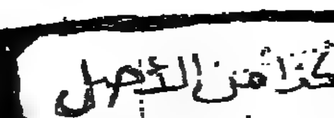

THE ARTS

Riverside Studios

Marta Fabian

by ANDREW CLEMENTS

Eastern Europe cherishes its folk tradition rather more carefully than we do in Britain. The folk instruments of Hungary and Romania are encouraged and widely taught, but only the cimbalom has established the transition from vernacular to concert music. Kodaly's use of the cimbalom in *Hary Janos* is well known, though it is used there primarily to lend local colour. But anyone who thinks that its potential is limited to such specific coloristic effects wuold have profited from Sunday evening's concert at Riverside Studios.

To my untutored ear at least, Marta Fabian plays the cimbalom with phenomenal virtuosity, and it's clear why the Liszt Academy in Budapest re-established its cimbalom faculty specifically for her. By careful use of the pedals and variation of attack she imbues an apparently ungrateful instrument with a vast dynamic range and wealth of tonal inflection, as well as getting round the strings at top speed with every rhythm sharply articulated, every phrase intensely characterised. Hearing Miss Fabian one can appreciate how Stravinsky came to regard the instrument so highly—he used it in *Renard* and the instrumental version of *Ragtime* and would have persevered with it had he been able to find a supply of players.

With Miss Fabian at Riverside were the flautist Tihamer Elek, violinist Andras Ligeti, and soprano Ilona Tokody. The combination of instruments and voice is well chosen: the flute blends well with the cimbalom, its blandness acquiring a refreshing edge while, under Miss Fabian's hands at least, the cimbalom can become a responsive accompanying instrument. Their programme was as much a conspectus of contemporary Hungarian composers as an introduction to the instrument; inspired by Miss Fabian it seems there has been a considerable revival of interest in using it.

If rather too much of the programme fell into a rather grey atonal idiom of short-breathed gestures and mosaic structures, there were some definite highlights. Istvan Lang's *Improvisation* for solo cimbalom offers every possible opportunity for display and variety of technique; while Miklos Kocsar's *Repliche* for flute and cimbalom was a frank display vehicle of quite artful dramatic pacing. Kocsar's song cycle on poems by Lajos Kassak was the most musically rewarding piece of the evening, brief, memorable settings of ever-changing colour and texture. Good things too in Gyorgy Kurtag's *8 Duo*, a set of epigrammatic pieces for violin and cimbalom, each intensively working a single seam of musical thought or gesture, making its point and then ending.

Miss Fabian and her group are giving a lunch-time recital at the Bishopsgate Institute today. Her virtuosity is of an order that deserves to be heard.


Shirley Bassey Trevor Humphries

Albert Hall

Shirley Bassey

by ANTONY THORNCROFT

It was brave of Shirley Bassey to take the stage at the Albert Hall on Sunday night immediately after the finals of the Chef and Brewer pub entertainer of the year competition. For there has always been something of the public bar singer about Miss Bassey—the strident voice silencing the beery element; the larger than life Saturday night dress and accessories manifesting alcoholic euphoria; the self-mockery in her performance suggesting that really she is dying to slip out of the red sequins and relax with a large gin and tonic. This mixture of show biz glamour with earthy reality is the secret of her success.

She hardly sings—she hijacks songs, mangling the lyrics with an over emphasis here, a sigh there. The voice powers over, under and all around the note like a shell from a howitzer. It is pure artifact, if such a thing is possible, but as she "popped her cork" in *Big Spender* and turned George Harrison's gentle *Something* into a public statement, her outrageousness and rapport with the audience lifted her beyond criticism. There is nothing suggestive in the way she pouts her body; it is a national institution quite removed from reality but absolutely perfect for bleak times. She began with *Roman Candles* brightening the stage and ended with an ovation. The whole act was as predictable as the April rain outside but neither artist nor audience seemed to be in any doubt as to the success and satisfaction of the performance.

The competition in the first half was equally predictable. It ran with remarkable efficiency, 13 acts doing their turns in little more than an hour, but although they were all of a standard the standard was hardly outstanding. Not surprisingly comedy duos came first and second with the Jay Jays clear winners. They were, of course, impressionists, and coarse impressionists at that, but David Attenborough and David Bellamy and good spoofs of cricket and the Grand National lifted them above the crowd.

For the rest the lack of originality was disappointing. There were two stabs at *Chatanooga Choo Choo* à la Manhattan Transfer and the rock band, the reggae band and the country band all let themselves down by producing tired and familiar material. It was the kind of entertainment you meet so often in pubs these days, safe and sound but hardly outstanding enough to stop the more serious task of drinking up the publican's profits. But at least no one left their heart in San Francisco.


The new music centre in Utrecht

Architecture

A concert hall with vision

by BRIAN TAYLOR

Built in four years at a cost of 35 million guilders (50 million for the entire affair), the new concert hall in Utrecht may be the last of its kind for some time given the current financial straits in which municipalities find themselves these days. Yet it signals a new generation of concert halls, after the inherent isolatedness from the city of Aalto's Finlandia Hall in Helsinki, or worse London's National Theatre. Located at the tail end of a mammoth shopping centre which swallows up unsuspecting visitors arriving at Utrecht's railway station, the Muziekcentrum happily achieves a much-needed transition to the scale of the old city, with its canals and narrow streets.

If ever there was a building that warranted comparison with paintings, it is certainly this recently inaugurated complex by architect Herman Hertzberger. The experience is like moving constantly from one Pieter de Hooch or Jan Steen painting of an interior to another, a never ending sequence of images of doors and windows, framing people, activities and objects in everyday circumstances.

On the other hand, the atmosphere in the place is truly that of a Pieter Brueghel-kermesse—which is precisely what the architect was striving to achieve. The building is comfortable to be in, accessible from all sides and at different levels, making it a veritable prolongation of the streets in old downtown Utrecht.

An octagonal central hall, seating 1,500 persons and fully equipped for both symphonic and theatrical productions, forms the core of the complex. Surrounded by a kind of buffer zone of entrance foyers, cloakrooms and buffets, the concert hall as a whole is then enveloped by commercial shopping passages on two sides and opens on to a city plaza and a cultural centre on the remaining two sides. While the concert hall can be completely isolated physically and acoustically—but not visually—from the shops, restaurants and cultural facilities on its periphery, it can also be opened up to provide direct communication with the plaza, on occasion, for popular or civic functions.

As anyone who has been to Holland knows, the Dutch seem obsessed (because of their strongly ingrained Protestanism, perhaps) with keeping everything visible, with bringing light in everywhere. Looking at what's going on indoors or outdoors is a national pastime. Hertzberger's building, conceived to aid and abet this, with the intention of abandoning the traditional notion of a "temple" for classical music, has doors and windows of all sizes and shapes, with transparent, translucid, or frosted glass, and mirrors throughout so that movement and light are ever-present. So much so that one is startled to see passersby looking in while one washes one's hands or combs one's hair in the mirror of a cloakroom. Architecture for participation here approaches Peeping Tom-ism!

Yet this building, by one of Europe's most talented young architects, marks an important chapter in concert hall construction. Having single-handedly demonstrated a few years ago with his office complex for the Centraal Beheer insurance people that cement blocks could have a dignified external appearance, Hertzberger's modest audacity has now combined cement blocks and columns with capitals in the concert hall center. Astonishingly convincing as in the Alhambra or Mughal architecture in India, these forests of columns (with heads) give human scale, directionality, and humour as well as structural support to the whole. Rich in allusions, in discoveries, and even artifacts recovered from recently demolished buildings in Utrecht and incorporated into the new structure, the music center is one of the few buildings todays which delivers monumentality and humaneness with a relative economy of means.

Elizabeth Hall

Schütz and Ives

Saturday evening's intelligently planned concert by the Taverner Choir conducted by Andrew Parrott consisted of two substantial, rarely performed works—wholly different yet both impressively brought off. Schütz's *Resurrection Story* has always lacked the popularity of his *Christmas Story*. Published in 1623, it is a reworking of an original treatment by Antonius Scandellus, Schütz's predecessor as director of the Dresden Chapel Royal; essentially a spare, lightly accompanied narrative for the Evangelist that dissolves into two-part polyphony for the characters of Christ and Mary Magdalene, quickens into a dramatic *scena* to relate the meeting at Emmaus, and reserves the full chorus for the opening and closing sections and the climactic meeting of the Eleven at Jerusalem. The Taverner Choir's version preferred two tenors (Rogers Covey-Crump and Alastair Thompson) to counter-tenor and tenor for the part of Christ and confined the accompaniment to harpshichord, organ, dulcian and violone, though Schütz also offers the alternatives of a consort of viols, lute and bandora.

The result was a sharply etched, frequently affecting reading. Nigel Rogers's Evangelist was inevitably the focus, closely attentive to the nuances of the German text, pointing up the programmatic effects which Schütz incorporated into the recitative, only occasionally edging over the brink into inappropriate theatricality. Alastair Thompson was perhaps the pick of the other soloists, though to single out anyone from what was a tightly welded corporate effort is scarcely justice.

Where Schütz provides an austere, hieratic celebration, Charles Ives's cantata *The Celestial Country* gets by on sheer exuberance. The Taverner Choir gave the first British performance of it about a year ago; written in 1902 it is rather too obviously a product of Ives the church organist, keen to provide something singable for his choir and to display the competence of his choral writing. The quirky instrumentation—for organ, string quartet and optional trumpet, euphonium and timpani—and the tiny interludes between the movements — progressions of seemingly unrelated dissonances that serve to cleanse the harmonic palette between one richly romantic item and the next—betray the later, uncompromisingly experimental composer.

The choral writing itself is well suited to the rather cloying sentiments of Henry Alford's poem: frankly 19th-century, it would hardly be out of place in a work by Stanford or Parry. The solo arias too would have fitted happily into a Victorian drawing room. The central movement, for the string quartet alone, is more individual, the same curious distillation of Brahms and Dvorak that sustains Ives's Symphony No. 1. The cantata seems more likely to remain a novelty rather than a frequently performed part of the Ives canon, though projected as vividly as the Taverner Choir and the Amphion Quartet managed, it might commend itself to a choral society on the look-out for a rarity that is also fun to sing.

ANDREW CLEMENTS

Elizabeth Hall

John Browning

John Browning is a member of the generation of American pianists that first appeared in the 1950s. They were mainly Julliard and Curtis Institute products, trained by European emigrées — in Browning's case, the legendary Rosina Lhevinne — and influenced in their conception of piano sonority and rhetoric by Vladimir Horowitz. It's a pianistic generation that has not matured well; few of its members have fulfilled their initial promise. But Browning, at his QEH recital on Sunday afternoon, demonstrated that he was an exception to this tendency.

Rather than a touring virtuoso's grab bag, he offered a long and demanding recital devoted to two composers, Debussy and Chopin. In Debussy's two sets of *Images*, Browning presented a range of soft articulations rarely derived from the QEH Steinway. He was not afraid to use the sustaining pedal to blend widely spaced chords or blur congruent harmonies into one colour-wash of sound. However, the two slow movements in each set of *Images*, *Hommage à Rameau* and *Et la lune descend*, were clearly voiced but not really settled; the pianist grabbed at the virtuosic elements in the music and restlessly pointed them to the detriment of the overall shape of each piece. Where a more conventionally virtuosic response was required, as in the short rondo *Masques* or the last movement of the three *Estampes*, Browning delivered the goods.

The restlessness of his response to Debussy was less apt in the four Chopin pieces played after the interval. Browning made something driving and obsessive rather than grand out of the many repetitions in the F sharp minor Polonaise Op. 44. One felt that he was playing the work from bar to bar as a series of (admittedly formidable) pianistic hurdles rather than musical phrases. Things settled down and became slightly more expansive during the Barcarolle and the first Scherzo, but the overall impression of Browning's interpretation of Chopin was one of detailed fussiness.

At his finest—as in much of the Debussy—Browning offers an elegant structuralism in the manner of Barthes' criticism. The many possibilities of the text are equally respected and surface of the whole is cleverly read. There's an element of literalism in that we're never persuaded that we are listening to anything other than a piano, but on the other hand there are no technical "tricks" or faking. The Chopin works unfortunately highlighted those aspects of nervous constriction that accompany Browning's thoroughness and detail. But his recital was never less than the work of a serious artist.

RICHARD JOSEPH

Covent Garden

Balanchine and Brahms

by CLEMENT CRISP

I can think of no better refuge from the cross-fire at the bustings than the Royal Opera House when *Liebeslieder Walzer* is on the programme. There is a felicity, truth, grace in Balanchine's response to Brahms' love-songs that speaks straight to the heart. The four couples who make up the cast are shown borne along on the waltz, dipping in and out of its rhythms or cutting across them; within a minute of curtain-rise the intoxication of the music's lilt has caught the dancers, and thereafter delight reigns. What could be more apt, more ravishing, than Monica Mason and Lesley Collier lifted in their partners' arms at the words *O di: Frauen*—the gently amorous world of the music, the social nature of the waltz, made delectably clear. (It is worth noting that the choreographic images of the ballet's first half can be found, almost exactly, in 19th century illustrations which document the vast popularity of the waltz.)

And how glorious is Balanchine's way with this dance. By consummate artistry he maintains its pulse through all the varied patterns and permutations he creates. When a girl is held immobile in a momentary pose, the rhythm of the dance is still present, suspended in her body, caught in the equivalent of a *rubato* before the tempo of the movement reasserts itself. It is a feeling for such continuity of dynamics, riding acros brief suspensions in the dances, that escape some members of cast in the first section. Vergie Derman understands it perfectly; we can sen the waltz's momentum as sh pauses, then see its guiding i pulse take her forward agai In the *Neue Liebeslieder* se tion, where the style of t dancing becomes academ rather than social, the cast a more at ease with the Bala chine manner. On Saturd night Lesley Collier and Juli Hosking were radiantly right the duet in which the ma ardour seems the motive fo behind the girl's dancing.

But *Liebeslieder* is a bal to experience, not to re about. It speaks of affecti and love, in choreography piercing beauty. It speaks dancing, and the way genius c thrive on the restrictions of rhythmic form transcendi them to ennoble the form the by. Nothing may seem "happen" in *Liebeslieder* dramatic terms—for such ba excitements we need but watch *Coronation Street*. stead we have poetic comme upon lovers' behaviour; learn something about heart's mysteries, and mu about the lasting joys of dance through which they revealed. It is a great ballet.

About *Concerto* which preceded *Liebeslieder* on two showings thus far, I cord that, apart from Alfre Thorogood, classically ideal the second movement on Thu day, interpretations have be optimistic rather than exa As with *Elite Syncopatio* which is now being cras over-played, respect for original style is fast evapor ing.

A 'new' Old Vic

There is now a new Old Vic Company. The governors of the Old Vic have bestowed the title on the Prospect Theatre Company which has made the Old Vic it's London home for the past 18 months. In future the Prospect name will disappear and the Old Vic will live again for the first time since 1962.

Toby Robertson, director of the Old Vic Company, announced this yesterday when unveiling the plans for 1979-80. Until late July the theatre will be closed for structural improvements. Then productions of Hamlet, Romeo and Juliet, The Government Inspector, What the Butler Saw, a revival of a mid 18th century double bill Garrick's *Miss in her teens* (to celebrate the bi-centenary of his death) a the comic opera *The Padlo* and finally a new play by Gl Jones. The 88 will be present

The regenerated thea intends to present ballet chamber opera as well as pla and among the actors book for the forthcoming season Peter O'Toole, Eileen Atki Derek Jacobi and Rob Eddison. The financial proble of the Old Vic Company h been eased through gener sponsorship by the Natio Westminster Bank, Trid Television, the Imperial Gro and the Financial Times. T Arts Council has raised its s port to £400,000, which will towards the heavy tour policy to be followed by Old Vic.

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Turning point for Rhodesia

THE RHODESIAN election, in which counting is now under way, raises many more questions than it answers. But the most important question is this: can the British and American Governments, which have been trying to bring about a negotiated settlement of the Rhodesia problem, simply disregard the election as an event without significance? On balance, and notwithstanding the many uncertainties about the meaning of the poll, it seems clear that they cannot and should not.

The critical factor lending significance to the poll is the turnout, which is officially put at nearly 64 per cent of the eligible population. We cannot know for sure that this is a true figure: the Rhodesian Government has an obvious interest in as high a turnout as possible, since every additional vote cast lends additional credibility to the election process, and while turnout figures in some regions of more than 100 per cent may quite plausibly be atributable, at least in part, to erros in estimating the total size of the electorate, they are also susceptible of less charitable explanations.

Evidence

Yet even if there has been some padding of the figures, it is clear that a large proportion of the electorate did go to the polls. The true figure may be less than 64 per cent, but it is difficult to suppose that the Rhodesian authorities have engaged in ballot rigging on a massive scale. A single plausible leak of widespread fraud by the Salisbury authorities would discredit the election even more thoroughly than a 30 per cent turnout.

A high turnout—and in the circumstances of Rhodesia today even 50 per cent would have been a very respectable figure—does not, of course, prove that the election has been free and fair by the standards of a European democracy. There has been intimidation by the guerrillas of Mr. Joshua Nkomo and Mr. Robert Mugabe, by the private armies of Bishop Abel Muzorewa and the Rev. Ndabaninge Sithole, by the government security forces and by the white civilian population. Where the guerrillas have been particularly strong, as in parts of Mr. Nkomo's native Matabeleland, their intimidation *has been the more effective* and the voting figure has been correspondingly lower; in other areas, the converse has been true. But it is striking that even in Matabeleland South the official turnout was 30 per cent.

If the true voting turnout is not wholly out of line with the official figures, it could mean that the pressure exerted on the electorate by the sponsors of the election was on balance more effective than the counter-intimidation of the guerrilla forces. It could also mean that the conflicting pressures tended to cancel each other out. But at the very least there is strong prima facie case for accepting that, given an uncomfortable and possibly a dangerous choice, a majority of the voters decided to express their views through the ballot box.

Assumptions

This does not of course mean that 64 per cent of the electorate has expressed a vote of confidence in Mr. Ian Smith, in the constitution (which ostensibly guarantees white privileges for a long period of time), or in the mixed black-white government which is exepcted to emerge when the counting is over. On the contrary, it is quite possible that a significant proportion of those voting have only an imperfect grasp of the details.

More simply, the choice facing the electorate has been that between some form of progress, however unsatisfactory, towards a democratically-elected black-majority government, and the guerrilla war conducted by Mr. Nkomo and Mr. Mugabe. It would require heroic assumptions about the true turnout figure to deduce that the Rhodesian population has voted in favour of a guerrilla war, which in turn is liable to turn into a civil war.

The difficulty of the dilemma facing the British and American governments should not be underestimated. They have tried to bring about a negotiated settlement, but in the closeness of their liaison with the Front-line states surrounding Rhodesia, they have seemed biased in favour of the guerrilla movements. In the United Nations, the third world is undoubtedly biased against the internal settlement. The implication of the election, that a majority of Rhodesians are in favour of the internal settlement, is highly embarrassing to all those who have backed the demands of the guerrillas.

Inevitable

It would be easy for the UK and the U.S. to disregard the election outcome, in the cynical belief that a civil war in Rhodesia is all but inevitable, and that nothing is to be gained by showing interest in the possible viability of the internal settlement. Easy, but unsatisfactory: Britain is legally responsible for Rhodesia, and it should send an all-party delegation to Salisbury to make a fresh examination of the possibility of using the election as the starting-point for a new attempt at a negotiated settlement.

The Bundesbank is worried

THE CURRENT state of the argument about the benefits and dangers of the Eurocurrency market can be summarised as follows: everybody agrees that the market should be supervised to achieve acceptable banking prudence. Nobody yet agrees that it should somehow be controlled for the macro-economic good of the countries whose currencies are deployed in it.

The newest critique of the impact of the growth of the Eurocurrency markets, that of the West German Bundesbank, does nothing to change this state of play, nor does it take the macro-economic argument very much further. It says that the market "can" undermine monetary control and "can" lead to a substantial increase in currency speculation, but without justifying these assertions.

"Over-recycling"

The Bundesbank introduces the concept of "over-recycling." The claim here is that the euromarkets initially did the right thing in lending oil surpluses to countries faced with sudden deficit in the wake of the oil price explosion, but then overdid it. They "noiselessly and unconditionally" provided funds and thus allowed such countries to persist with deficits longer than was necessary or good for them.

This claim prompts at least two questions: first, how long should such financing persist in a world of slow growth and rising unemployment and of great disparities in the wealth of nations? Second, supposing by some magic the international market for capital had been prevented from emerging, would not these deficits have been financed by domestic banking systems? Banks would somehow have bought surplus funds and new loan demand together.

Sound practice

It is easier to believe that the cut-off point for international bank lending to deficit countries should have been dictated by *considerations of sound banking* practice. So when the Bundesbank says that there is an "urgent need" to improve the system of banking supervision so that it will show up an excessively risky loan portfolio or an inordinate tendency to fund long loans with short-term interbank money, it wil meet with a much broader level of agreement from other central banks.

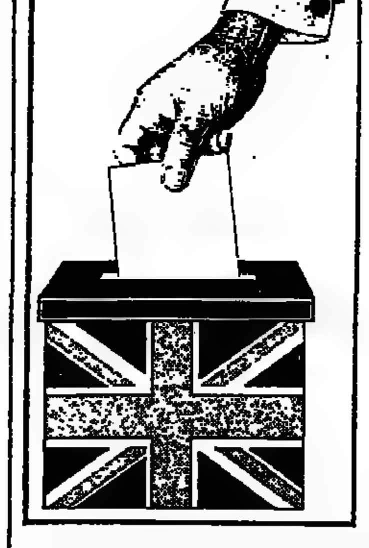
There may be problems with the regulatory authorities of small and ambitious banking centres in persuading them to run tighter regulatory ships. But fortunately the trend in international bank supervision is towards regulation via the parent bank rather than via banking centres. Since 1974 the major central banks have been lenders of last resort not only to national banks but also to their overseas subsidiaries and branches.

It is therefore natural that a move is underway towards internationally consolidated accounts—which the Bundesbank advocates—or at least towards an overview for central banks sufficient to give them an idea of the extent of their commitments.

The Bank of England, in its informal way, can persuade British banks to provide it with the necessary ratios. Indeed, it seems curious to the London banker that the German authorities have had such problems finding out about the activities of German banks operating in Luxembourg.

More tolerable

But the Bundesbank goes beyond demands for greater transparency in the Eurocurrency market and says that the markets would be more tolerable for domestic monetary policies if general "guidelines" could be established. The Bundesbank is not specific here, but this looks suspiciously like a suggestion that problems arising out of the different monetary and regulatory policies of different countries can be cleverely removed by a uniform approach *to the capital markets that link* them.



Industrial programmes: more bark than bite

By JOHN ELLIOTT, Industrial Editor

THE public view of the two main political parties' industrial policies over the past decade has usually been dominated by the ideological attitudes of the Left wing of the Labour Party and the Right wing of the Conservatives. Thus the main public debate has concentrated on Labour wanting to extend State control, and maybe trade union influence, into the major decision-making areas of the private sector, and on the Conservatives wanting to leave everything to market forces with as little detailed State intervention as possible.

In practice, neither extreme view has survived for long in Government. The Conservatives had to engage in considerable State intervention in industry during their 1970-74 period of office for economic reasons, while the Parliamentary restrictions on Labour since then have prevented both the National Enterprise Board and planning agreements being turned into the weapons of Socialist intervention that the Left-wing of the Party had hoped for.

Ideological ambitions

Recently both main parties have been showing signs of wanting to return to their more ideological ambitions. But Labour's manifesto has been curtailed by the Prime Minister's wish to avoid most contentious issues, while the Conservatives show some of the pragmatism of a party which believes it is on the threshold of taking responsibility for dealing with the country's economic and industrial troubles.

The two main parties' manifestos, while being far from explicit, indicate therefore that neither is likely to rush headlong into major changes. But this does not hide the fact that there is a basic clash of attitudes over the role of the State in industry and over whether tax reforms or Government intervention are more likely to steer Britain through industrial change.

The Labour Party wants to increase the involvement of Government Departments and State agencies in the affairs of individual companies, both for long-term ideological reasons and because it does not believe *that market forces* and the private sector can cope adequately with the modernisation of industry and the allied problems of employment.

The Conservative Party's primary aim is to cut public spending in industry, both for its own sake and in order to help finance the tax cuts that its leaders hope will create a new entrepreneurial environment. Linked with this, many of its leaders ideally would like to see a general disengagement of Whitehall from industrial affairs. But the Conservatives have been restrained by many senior industrialists who have urged that whichever party wins the election, there should be a minimum of rapid change in broad industrial policy.

The Conservatives also know that it would require some time for their hoped-for economic revival to take effect in industry.

In addition, on entering office, a Conservative Secretary for Industry would face early decisions about tough problems in industries like steel and shipbuilding and in some individual companies.—Dunlop, for example, has a £23m State aid claim outstanding in Whitehall.

But while a Conservative Government would therefore not rush into dismantling either the National Enterprise Board or various State industrial aid schemes, it might try quite rapidly to improve its good intentions by preparing to sell some State holdings back to the private sector and by curbing expenditure involved in the NEB's merchant banking role.

Because all these policies are not clear-cut, it is difficult at this stage to be sure how much legislation would be prepared quickly. A Conservative Government would certainly need to alter the NEB's guidelines and reduce its financial targets in order to do even some limited trimming of its activities. This would have to be approved by Parliament but might not involve a full Bill.

Depending on the size of its majority in the Commons, a Labour Government might start to prepare a new Industry Bill aimed at giving statutory support for planning agreements. It might also include the creation of Development Agencies in the northern and north-west regions to match those in Scotland and Wales—an idea inserted in the Labour manifesto by the Prime Minister himself. But pledges in the manifesto to "expand the work and finance of the NEB" do not, apparently, have any immediate implications, even though Labour's Left-wing would like to see a £1bn-a-year budget. There might, however, be some changes in the organisation of regional aid because of concern that too much of the country (60 per cent in area and 40 per cent of the working population) is at present designated as some sort of special assistance area.

Labour has also said it would increase intervention through the activities of the Price Commission and it has also not given up its interest in statutory enforcement of industrial democracy.

But while issues like the Price Commission's powers and the influence that trade union members might exercise over company affairs through industrial democracy can pose immediate problems for industrialists, it is the future of the NEB that has in the past often been seen as the virility symbol of the Conservative Party's policy. Sir Keith Joseph, the Party's industrial spokesman, often tries to counter this by stressing that the issue of the NEB is infinitessimally small compared with the broad sweep of industrial policy. But because of the rage that Mr. Anthony Wedgwood Benn inspired when, as Secretary for Industry, he created the NEB, there are still many Conservative activitists who believe it should be abolished overnight.

Mr. Eric Varley (left): planning disagreements; Sir Keith Joseph: tempered position

Sir Keith, however, has moved away from this position and there is now general acceptance, as the Conservative manifesto says, that the NEB's powers should be restricted "solely to the administration of the Government's temporary shareholdings, to be sold off as circumstances permit." This is a conveniently vague form of words because "temporary shareholdings" can mean anything from lame ducks like BL or Alfred Herbert to any other company that will at some time be sold by NEB. All that the manifesto says categorically, therefore, is that companies will sometimes be sold off.

Lame duck companies

The NEB is now just over three years old. It has investments in 55 companies with a total turnover last year of more than £4bn., and employees numbering about 250,000, borrowing powers which can now rise to a total of £4.5bn, a £250m annual budget. Its affairs are dominated by BL and Rolls-Royce Ltd. and by other lame-duck companies it inherited when it was set up. *They include Ferranti,* whose fortunes have improved, and Alfred Herbert, which is still making serious losses.

From the Conservatives' point of view, the NEB's activities probably divide up into three groups. First there are the "lame ducks" which still need the NEB's hospitalisation services and which would be kept in the NEB subject to close scrutiny of the worst loss-makers.

Then there are new high-technology companies like INMOS, which is to make micro chips, and others in allied fields grouped around NEXOS and INSAC, which are to export office machinery and computer software. These are not mentioned in the manifesto but Conservative leaders are thinking of inviting the private sector to take stakes in them on the same principle as the existing arrangement at BP, which is 51-49 per cent owned by the Government and the private sector.

Such a solution would save the Conservatives from the embarrassment of having to decide whether to try to sell or to close down these businesses, which as yet have no track record but which are involved in important areas of technology. Originally, the Conservatives thought of inviting the private sector to take stakes in the NEB itself, or at least in a hived-off organisation which would have excluded BL and the worst lame ducks and which migh thave been called NEB 1980 Ltd. But financial experts advised that such an offer for sale would not attract investors so the idea has been abandoned, at least for the time being.

The third area of the NEB is less clear-cut and includes companies that Conservatives like Sir Keith want to see sold off in part or completely as quickly as is commercially sensible—although in some cases the companies themselves might argue that they want to stay in the NEB. They include the NEB's stake in ICL as well as in Ferranti, Fairey, and a host of *smaller companies.*

How well a Conservative Government managed to get on with Sir Leslie and his Board members and staff would depend on how aggressively it insisted that these holdings were sold off and that there could be no more entrepreneurial purchases.

Since almost all the changes at the NEB would take some time to carry out, they would not yield rapid cuts in public expenditure. A Conservative Government would, however, consider raising funds quickly by reducing, or selling off completely, the Government's 51 per cent stake in BP, and by offering shares in British Airways and the National Freight Corporation to the private sector, as well as offering the aircraft and ship building industries back to their original owners.

Unspecified changes

The issue of public expenditure apart, its aim in the nationalised industries would be to increase competition, and unspecified changes would be considered for British Gas and the British National Oil Corporation. The Post Office would also probably be split in two and proposals are being considered to break its telecommunications monopoly by allowing private manufacturers to connect their products to the telephone system along the lines of U.S. practice.

But while such changes in ownership would be vitally important, perhaps most fascinating of all would be how the Department of Industry would be allowed to operate by a Conservative Secretary for Industry (who quite a few Conservatives believe could well be Sir Keith himself).

Since the Tories were last in power five years ago, this Department has established its own identity and its own mode of operating. It has used the Conservatives' Industry Act of 1972 to build up industrial aid totalling £3bn so far and its civil servants, from the middle ranks upwards, spend most of their time in a dialogue with individual companies.

Sir Keith disapproves of such activities. He does not believe that civil servants are qualified to help run industry because they do not have an entrepreneur's responsibility and involvement in the consequences of their own decisions—and in any case he believes that centralised decision-making is wrong. He also disapproves of industrial aid, especially when it is applied selectively by civil servants.

Not all Conservative leaders approach this issue with Sir Keith's zeal, however, and, in line with the manifesto, he is now tempering his position. Existing aid schemes would be maintained and it is even possible that more would be introduced, providing they could be shown to provide value for money. "We shall ensure that selective assistance to industry is not wasted . . ." says the manifesto. As a result the 15 or so individual industry schemes, with up to £400m of aid, are likely to run their course, and the Industry Department's plans for new ones covering opto electronics, energy conservation and fishing will at least be looked at. A more embarrassing problem for an incoming Conservative Government would be to decide what to do about Industry Department plans to double its Selective Investment Scheme from £150m to £300m in order to encourage foreign investment into the UK and to persuade British companies to accelerate and enlarge their own investment projects. The current scheme runs out in June and at least a temporary extension may be necessary.

One of the ways that Industry Department civil servants keep in touch with companies is through "planning discussions," which are a muted informal version of planning agreements and in fact amount to an extension of normal Whitehall-industry contacts. They are now taking place with more than 100 companies and the present Industry Secretary, Mr. Eric Varley (who is widely expected to be posted elsewhere should Labour win the election) would like them to be turned into formal planning agreements for the country's top 100 companies. Such an idea has led to battles with the CBI, which opposes both planning agreements and the more low-key planning targets set by the Government's industrial strategy sector working parties. The central planning overtones of these 40 working parties means that a Conservative Government will examine each one to see whether it should continue in business.

But a Labour Government, having failed to coax industry into voluntary planning agreements in the past five years, is now pledged in its manifesto to try to enforce them by law. Although it is not spelt out, this might be done by laying *a statutory duty on large companies* to consult both the Government and representatives of trade unions about their plans. Industrial aid might be withheld and other Government sanctions might be imposed on unwilling companies.

But such a notion would lead to fresh conflict in industry and could upset the voluntary nature of Labour's low-key industrial strategy exercise. Like Sir Keith's more idealistic dreams, it might fall foul of economic and political reality.

MEN AND MATTERS

On course for a sea-change

For once the British have beaten transatlantic academics at the game of carving out new areas of study. Professor Donald Watt of the London School of Economics tells me he has looked where no-one, it seems, thought to look before—out to sea, or more precisely into the filing cabinets of those concerned with "ocean management." If you imagined the oceans could manage all right by themselves, then Professor Watt's M.Sc course in Sea-Use may be just what you need.

Watt is convinced that the subject will, in the next decade, become of prime importance.

"Some 80 or more countries have already extended, or are in the process of extending, their national jurisdictions up to 200 miles from their coasts," he explains. "Very little thought has been directed—as yet—to how these enormous areas are to be administered."

Watt has cannily sent a brochure on the course to delegates at the current UN Law of the Sea Conference in Geneva.

The proposed course is directed towards civil servants, particularly from developing countries, and is intended to help them foresee and resolve conflicts such as between fishermen, offshore energy, and environmental interests—"the kind of problem that arises over and over again."

One difficulty in doing something new in the academic field is that no-one is ready to come up with cash: "We have a ream of letters from UN organisations saying 'jolly good chaps'—but none of them has a cheque attached to the bottom," says Watt. "They are just as compartmentalised as *the governments* they are trying to organise."

"She ought to see Jim when he looks at the opinion polls"

This means that the course, for a maximum of 20 students, will cost each of them an "economic" fee of £2,500. Watt is sure that no-one else in the world is providing the same kind of course, though he admits he did not actually think of it first: "It occurred to a colleague of mine in Canada about four years ago. But this is one of the moments of financial crisis in Canadian universities—the project ran out of funds."

Peace partners

Israeli and Egyptian diplomats in London continue to play mutually hard to get. Samih Anwar, the Egyptian envoy, did however meet leading British Jews yesterday—among them Harold Lever and "Manny" Shinwell—for lunch.

Anwar let it be known across the table that Israel's creation of settlements in occupied territories was not helping, and that terrorism was likely to continue unless Israel and Egypt could convince others that they really wanted a comprehensive settlement—including a resolution of the Palestinian problem. Unfortunately, no Israeli diplomats were present to hear this advice.

At this rate Anwar and his opposite number, Abraham Kidron, will never get to know one another (though the Israelis claim they did once shake hands). Kidron is shortly being posted to Australia.

Studying Selmes

Memories were jogged last week by my mention of Kina, the award-winning company which has been the subject of an investigation under section 165 (b) of the Companies Act since the start of 1976. That is a long time, but I should not like to suggest that the Department of Trade has set a record for protraction with Kina.

After all, we must remember Dowgate and General Investments. On May 2, the Dowgate inspectors (still hale and hearty when last observed) will be celebrating the fourth anniversary of their inquiries. More elderly members of the City — not to mention quite a few shareholders — will recall that the company was the investment vehicle of that debonair young financier Christopher Selmes.

Also sharing the record with Dowgate is its subsidiary, CST Investments, which was owned by Selmes. Incidentally, he is some way from the inspectors, being resident in New York nowadays.

Running Dowgate a close second is Bryanston Finance: its inspectors break the four-year barrier on May 12. Coming up behind them are half-a-dozen other companies, into whom investigations began during the autumn of 1975. Most were victims of those depressing days when the air escaped from the secondary banking soufflé.

The Department of Trade tells me: "We ask our inspectors to complete their work as quickly as possible. But we do not wish to tie them down to any time-scale." That is fairly plain.

The right motto

The three coaches hired to transport Mrs. Thatcher and her retinue around the country are painted in a sensible two-tone grey. But it is hard to believe that the motto on each vehicle—"Industriae nul impossible"—is also accidental.

"It's on all our coaches," said a man in the coach company's head office in Leeds. "It means 'no work is impossibile,'" he added helpfully.

Stage-struck

It is hard to resist the temptation of pointing out the curiously appropriate National Theatre productions disrupted by the disputes involving the union NATTKE.

The first dispute, in February, centred on the staff's refusal to shift scenery for "A Fair Quarrel" . . . During the current five-week-old unofficial strike by the same group, the NT has been obliged to stage Galsworthy's "Strife" without props in addition to cancelling productions of "The Double Dealer" and "Betrayal." Now, I learn, the theatre has postponed the opening of a new Simon Gray play, entitled "Close of Play."

Observer

West German foreign policy: By JONATHAN CARR in Bonn

The growing pains of a new power

WHY HAS THE Soviet Union been increasing its stock of intermediate range nuclear missiles—those able to hit western Europe from Soviet territory—while reducing its propaganda attacks on the Federal Republic of Germany? The question was put recently at an international meeting held in Berlin to consider the role of West Germany in world affairs. The questioner, a German academic long respected for his balanced judgment of international political issues, gave his own answer. The Soviet Union, he suggested, was following a carrot and stick policy designed not to draw West Germany out of the Atlantic alliance but gradually to make of it a partial advocate for Soviet concerns within that alliance.

A majority of the officials and parliamentarians present agreed that while this might well be Moscow's intention, it was most unlikely that the Federal Republic, tied firmly to the West after 30 years of democracy, would fall into the trap. None the less the matter has been strongly debated in West Germany recently—thanks particularly to the sharp but sometimes confusing comments on east-west affairs by the powerful parliamentary leader of the ruling Social Democratic Party (SPD), Herr Herbert Wehner. It is a debate which has been watched closely, and with some concern, by Bonn's allies in the West.

The Bonn Government strongly maintains that three key elements remain as essential as ever to the stability and security of West Germany: firm friendship with the U.S., a strong Atlantic alliance and a developing European Community. The West Germans themselves are the first to stress that only these made possible their drive to normalise relations with Moscow and eastern Europe, undertaken a decade ago. The success of Bonn's *Ostpolitik*, it is said, was a victory for the entire detente policy of the West, which West Germany had not begun and which it would have been unable to follow on its own.

That said, it would be wrong to suggest that West Germany's relationship with its allies and neighbours, in West and East, remains what it was a decade ago. West Germany's presence at the Guadeloupe summit conference early this year made evident to the world that without the economic and military power of West Germany, without its counsel and in some respects its example, the western alliance would be seriously and perhaps fatally weakened. That implies a degree of dependence on the federal republic by its allies which did not exist before—a situation in which vital benefits to them are necessarily mixed with new discomforts.

Herr Wehner (left): his harsh comments often cause consternation
Herr Brandt (right): things have changed since his Ostpolitik

More normal

At the same time the *Ostpolitik* has given West Germany a stake in the East which did not exist to anything like the same extent 10 years ago when Herr Willy Brandt, then Chancellor, came to power. Bonn's relations with most eastern European countries have become more normal—which is to say that despite the historical burdens of Nazism and of the war, West German ties with eastern Europe are now similar to those that other western states maintain with the East. The essential difference is that one of those eastern countries is the "other Germany,"—and that German reunification remains an objective of the Basic Law, the provisional West German constitution which is considered provisional precisely because the German people are not yet united.

The key to closer relations between the German states lies in Moscow. Thus West Germany has a uniquely strong reason not only to cultivate its own ties with the Soviet Union, but to use what influence it can muster to see that East-West detente in general, dependent in the first place on the relationship between the superpowers, does not falter. It has been doing so diligently while protesting with the greatest possible conviction against any voices at home or abroad which suggest that West Germany might be ready to "go neutral" in return for some kind of deal with Moscow on German unity.

This can hardly be so much a matter for surprised concern in the West as a confirmation of the aims of western policy towards Germany ever since the immediate post-war years. A successful strategy intended to produce a strong Federal Republic and a relaxation of tension in Europe had to lead to the kind of situation which now exists.

But that does not mean either that there are no problems, or that it is clear exactly where this strategy is now leading. In particular, it was not foreseeable that West Germany's own coming of age in international politics would virtually coincide with a weakening of the leading role of the U.S.—internationally in the aftermath of the Vietnam war, and domestically in the changed balance of power between President and Congress after Watergate.

Much is often made of the difficult personal relationship between Herr Helmut Schmidt, the Chancellor, and President Jimmy Carter—a relationship which is in fact reliably said to have improved since the President's visit to Bonn last July. What is more to the point is that whoever leads West Germany and the U.S. is bound to face new frictions which the predecessors did not know to the same degree. The same goes for new generations of officials and parliamentarians on both sides, not shaped by the shared experience of the immediate post-war years, who are having to try to cope with a change in the relative weight of their countries in world affairs.

When Herr Schmidt says that the U.S. has lost the economic leadership of the western world and has no apparent ambition to regain it, he undoubtedly does not intend to make an anti-American remark, but to register a regrettable fact of international life. There is little question that if the U.S. were willing and able to take over the leadership again, Herr Schmidt would be only too pleased. Since this is not happening, certain consequences follow—among them, the creation of a European Monetary System (EMS) to try to restore some of that stability once symbolised by the dollar and the Bretton Woods system.

Anxieties about U.S. leadership extend, more crucially, to defence, where the western Europeans are far less capable than in monetary affairs of organising themselves semi-independently. Herr Schmidt has already had the unpleasant experience of the neutron weapon issue — when he was able to overcome most of the strong opposition in his own Social Democratic Party (SPD) to the idea of possible deployment of the weapon in Europe, only to have President Carter postpone construction indefinitely on the grounds that the Europeans could not make up their minds.

Now the West Germans are pushing for speedy conclusion of a second Strategic Arms Limitation Treaty (Salt Two) between Moscow and Washington — and are deeply worried that the agreement, once signed, might not be ratified by Congress. The reason is that although Bonn has reservations about some elements of the SALT treaty taking shape, it recognises that without the treaty there is likely to be no progress either in the force reduction talks in Vienna or on the vital problem of the so-called grey zone intermediate range missiles, which pose a threat to western Europe but not, directly, to the U.S.

In other words, a Salt Two agreement signed and ratified is seen not only as an essential next step towards disarmament —or at least towards limiting arms buildup—but the bridge to further detente moves in which West Germany in particular has a crucial interest. Unless a way to negotiation on the grey zone issue is opened, then western Europe would have to accept either the existence of a yawning gap in the Nato strategy of flexible response or the provision by the U.S.—always assuming it was willing to make the offer—of an answer to the Soviet intermediate range missiles.

The idea of a new stage to the arms race—perhaps involving for the first time the stationing in West Germany of nuclear missiles which could directly reach Soviet territory—is anathema in Bonn. That is true above all for Herr Wehner, who deeply believes that such a development would set back and perhaps ruin all that the Social Democrat - Liberal Government has been trying for years to achieve in the East.

The latest marked cooling of East-West German relations following new restrictions imposed on foreign and West German journalists by East Berlin shows how quickly and easily the achievements of *Ostpolitik* can be put in danger.

Herr Wehner's harsh, outspoken comments on East-West affairs often cause consternation among Bonn's allies and concern even among his own friends. But it would be wrong to suppose that his is an isolated voice simply because it is the most pungent. Herr Schmidt himself points to that passage of the Soviet-West German statement agreed during President Leonid Brezhnev's visit to Bonn a year ago, according to which both sides maintain that they are not seeking military superiority. At the top of the SPD there is no real division of opinion that the Soviet Union, at least under Mr. Brezhnev, remains a country with which constructive business can be done, on disarmament as on other issues, and that it is more than ever a vital German interest to see that it is done.

There is no support, for example, for playing the so-called China card — that is fostering relations with Peking deliberately to put pressure on Moscow. Indeed, the Soviet Union was publicly praised in Bonn for its restraint during the Chinese incursion in Vietnam—which in the German view so regrettably virtually coincided with the establishment of diplomatic relations between Washington and Peking.

All this is far from suggesting that the Federal Republic, drawn by blandishments from the East and disappointed by its alliance partners, is on the point of dropping out of the western camp. But it does mean that the balancing of eastern and western interests which Bonn is called upon to perform is more complicated than it used to be—and that the weight the West Germans can throw into the scales on either side has grown.

This need not necessarily work to the Soviet advantage. One western diplomat suggested it would be wise to trust the West Germans more, to encourage them to act as ambassadors in the East precisely because they symbolised how a free society could be created in discouraging circumstances and thrive. Herr Schmidt himself has spoken (to the surprise of many of his listeners) of the long-term aim of a Europe from the Atlantic to the Urals in which ideas would flow freely and the cultural heritage of each country would belong to all.

Whatever else this vision might imply, it is clearly not an embracing of the Soviet system. But the question posed uneasily by many in East and West is what role a reunited German people would be playing in a Europe from where foreign troops had withdrawn and blocs dissolved however far ahead that may be. There is no clear answer—although such a Europe remains an aim of western policy.

Letters to the Editor

A takeover of construction

From the Chairman, Campaign Against Building Industry Nationalisation.

Sir,—The Labour Party Manifesto has been widely held to be extremely moderate in character. So far as construction is concerned, however, we can only read it as posing a major threat to the free enterprise character of our industry at almost every level.

It offers us the prospect of workers co-operatives for the small jobs, more council direct labour for the middle range of works and some unspecified form of nationalised concern for the major projects. Accordingly almost every firm would be faced with some kind of unfair subsidised competition.

We have expressed our concern over this directly to the Prime Minister and sought some reassurance from him. Regrettably however, he has demonstrated a perhaps uncharacteristic reluctance to explain his intentions to us in any greater detail than the rather vague wording of his manifesto. Accordingly, we can only recall the answer which he gave when he was specifically challenged in the House of Commons on a possible takeover of construction which was to the effect that "nationalisation is always on the agenda."

(Sir) Maurice Laing.
CABIN
Romney House,
Tufton Street, SW1.

High and low notes

From Mr. D. Clark.

Sir, — As a result of my distance from the UK I have only just read David Freud's article "A guide to underground economics" in your edition of April 9.

While there may well be a correlation between the ratio of high denomination notes to the total note supply and the size of the underground economy, I would like to dispute the theoretical ground for this assertion in the light of inflation.

If a person is accustomed to carry only £5 notes at a given price level, it is fair to assume that if the price level doubles, he is likely subsequently to carry only £10 notes. A further distortion would be created in the case of someone who was used to carrying a more normal distribution of notes if, in spite of a doubling in prices, no higher denomination notes were issued. In this case the proportion of the highest denomination notes held would increase by far more than if a higher denomination note had been issued.

Let me give a rough example of my point based on some of the figures given in David Freud's article. The distribution of holding between lower and higher denomination notes in 1972 was 86/14 and in 1978 was 60/40. If we assume prices increased by 100 per cent over the period (in fact they increased by rather more) that the holding of £1 and £5 notes was equal as well as that of £10 and £20 notes in 1972, I would calculate that in 1978 the holding of £1 and £5 notes together would be 43 per cent, that for £10 43 per cent, and that for £20 14 per cent, giving a total of 57 per cent for the higher notes, against an actual figure of 40 per cent. I would hesitate to conclude, however, that the size of the underground economy has diminished.

My provisional conclusion is that there is no evidence of a correlation between the ratio of high to low denomination note holdings to the size of the underground economy.

David O. Clark.
P.O. Box 218, Cairo, Egypt.

Above ground economy

From Miss K. Campbell.

Sir,—With reference to David Freud's article "A guide to underground economics" (April 9): I know an old lady who habitually asks her landlord for change from a £10 note to pay her weekly rent. And where does it come from? From a source which could not be farther removed from the black or underground economy—the local post office, than whom nothing could be more above ground, and they pay her weekly pension and allowances by two ten pound notes, a fiver, and some notes and coins of small denomination. David should leave out the guesswork.

(Miss) K. E. Campbell.
46 Hurn Road,
SW17

Law and order

From Mr. C. Tuckwell.

Sir,—This in support of James Jardine (April 20). It is the first duty of the State to protect its citizens and how else than by preserving law and order.

C. Tuckwell.
Gobions, Great Bardfield,
Braintree, Essex.

Exchange rates and trade

From the Treasurer, Campaign for a Competitive Exchange Rate

Sir,—Nicholas Colchester's article (Lombard, March 29) concluding that we should follow the German example by letting our exchange rate appreciate and capitalise on the extraordinary price inelasticity of high value goods was based on two premises, both entirely false.

It is not in dispute that the value per ton of most UK manufactured exports in 1974 was much lower than for the corresponding imports, but the NEDC were wrong to suggest that this was evidence of our having "traded down" as a result of devaluation. The ratios were broadly the same in 1959, when our share of world trade was over twice as high. In the case of machine tools, for example, the import-export price ratio was 1.46 in 1959, 1.51 in 1970, 1.53 in 1974 and 1.41 in 1977, the year in which we enjoyed the benefit of the real devaluation of late 1976.

The second fallacy was to compare export performance with changes in the nominal exchange rate. The only reliable measures of competitiveness are the terms of trade and comparative export prices for manufactures. Relative normal unit labour costs—used by the Treasury—do not tell us what is happening to competitiveness because economies of scale are very much more important in export industries than in industry generally.

Those who argue that devaluation does not work suffer from money illusion: our export prices have risen almost continuously in dollar terms since the Korean War and this is a sufficient explanation for our economic decline. Under this Government our export prices have been raised by a massive 22-24 per cent and it is this "trading up" which is responsible for our massive unemployment. There is very much worse to come if the Treasury are right in saying that there are long lags.

It is anodyne if not politically convenient to argue that our problems would be solved by increasing productivity to the level of our competitors. This puts the cart before the horse. Figures in this and other countries show that productivity is a function of total output and that total output is determined by Government policy including, in particular, policy on the exchange rate. The Chancellor has sacrificed the interests of the real economy to those of the banking economy and our decline will continue until we get a Government committed to export-led growth through a competitive exchange rate.

Our future prosperity depends on manufacturing because this is where there is most scope for increasing productivity, but manufacturing will not prosper until exports become more profitable than profitable home production and there is nothing in the monetarist policies of Government and Opposition which will do other than make matters worse.

Shaun Stewart.
72 Albert Street, NW1.

Power and prices

From Mr. D. Franklin

Sir,—Mr. Roy Hattersley unveiled plans (April 19) to strengthen the powers of the Price Commission to add to the Government's controls over inflation.

On January 29, 1979, in reply to a private question in the House, it was said: "The function of the Price Commission was . . . not to seek to control the general level of inflation."

He has frequently stated that inflation is down, and on March 5, 1979, replied to another private question that: "Since February, 1974, the retail price index cumulative increase was 103.7 per cent."

D. G. Franklin.
Lerpiniere House,
121, Kennington Road, SE11.

A study of comparability

From Mr. D. Logdon

Sir,—I am getting tired of public sector union whining. Teachers' hours per year qualify them as part-time workers, and no doubt they could get their national insurance adjusted accordingly. Their rate per hour makes anyone in outside industry look underpaid. Inflation-proof pensions are beyond scandal, they are defrauding the taxpayer.

I have recruited two tax inspectors from six interviewed. One has gone from £6,700 to a total package worth £10,000 plus a Rover 2300. The other from £9,000+ to £12,000 plus Granada 2.8. Now to grind the axe: Tax inspectors have no set hours and most refuse Flexitime because it would mean doing a 37-hour week. My two are long-serving experienced men who are the type that forms the conscientious backbone of the service.

They left for three reasons. The first was promotion policy. They were tired of training their future masters who had degrees in flower arranging and therefore got fast stream promotion despite their lack of interest in the service and its standards. The second reason was "E" inquiries. They were distressed at having to bully small self-employed taxpayers (i.e., profits under £7,500) when the cases needing inquiry were in the companies sector. How many directors reading this run the gardener and au pair on the company? Third, low morale caused by self-interested colleagues who shirked work, many only doing 25 hours per week and taking lots of "sick" leave. In one case, always when Burnley are playing.

Now they work in an efficient small firm, they are constantly proclaiming amazement at their productivity and our staff. In the Revenue, they did most of their own analysis because of the incompetence and uncooperative attitude of their clerical support. Their secretarial support is no better qualified in my firm, but half as many girls do twice the work as in the Revenue. This seems to me to be morale and management differences. Plus the fact that they get sacked if they don't fire on all cylinders.

Inefficiencies and crass bad management in the Revenue are in my view a scandal. One example: On a regular basis, everyone in the tax office counts unanswered letters, fills in forms and sends them off to heaven knows where, where doubtless whole offices of people and computers chew over this information. Apparently it started after some bright spark back bencher asked a question. Instead of doing a small-scale survey to give the basis of an answer which could have been backed up by an offer to look at any particular cases of apparent gross delay, the Revenue set up a whole new department and procedure. This sledgehammer to crack a nut philosophy is rampant throughout the civil service. Once a department exists, it only grows, even when its purpose has ceased to exist.

My two ex-inspectors always did at least 40 hours a week, but were rarities in the Revenue. Now they cheerfully do the 60+ hours all of us who love our work do without a thought. Their efficiency and productivity is exceptional: for example, they use their dictating equipment in their cars to such an extent that they must be working nearly all the time they are travelling. Let the comparability study note that they have not left the service for higher pay, the higher pay they in fact get is for a great deal more work and is effectively a lower rate per hour.

Should this be brought to the attention of Mandarins or politicians, however, I fear they will use it as an excuse to set up a productivity comparison department requiring new air-conditioned offices, thousands of extra staff and a computer. Results will, of course, be so weighted (fixed) as to be fictional.

D. B. Logdon.
Meredith Whittome Logdon and Co.
Bank Chambers,
20, High Street,
Tring, Herts.

Today's Events

GENERAL

UK: Pay talks resume for teachers, railway workers and electrical power engineers.

British Transport Docks Board and National Freight Corporation publish annual reports.

Scottish Trades Union Congress, Eden Court Centre, Inverness (until April 27).

Fashion Fabric Exhibition opens, Earls Court

Overseas: Mr. Ola Ullsten, Swedish Prime Minister, starts two-day official visit to Spain.

Japan's General Council of Trade Unions calls 72-hour strike over wages.

Tokyo 13th International Trade Fair opens for ten days.

OFFICIAL STATISTICS

Department of the Environment publishes bricks and cement production figures for March. Industrial and commercial companies: appropriation account, net acquisition of financial assets and net borrowing requirement for fourth quarter.

COMPANY RESULTS

Final dividends: Alpine Holdings. Bestobell. Bodycote International. Danish Bacon Company. English National Investment Company. Estate Duties Investment Trust. Farm Feed Holdings. Farnell Electronics. Foseco Minsep. J.B. Holdings. Martin-Black. John Menzies (Holdings). M. F. North. Oxley Printing Group. Geo. G. Sandeman Sons and Co. Securities Trust of Scotland. Sheffield Brick Group. Siemssen, Hunter. Silentnight Holdings. Stylo Shoes. Tozer Kemsley and Millbourn (Holdings). United Carriers. Interim dividends: Atlanta, Baltimore and Chicago Regional Investment Trust. Linread. Spencer Gears (Holdings).

COMPANY MEETINGS

Aquis Securities, The Clarendon Court Hotel, Maida Vale, W.9, 12. City Offices, Winchester House, 100 Old Broad Street, E.C., 12. Comben, Great Eastern Hotel, Liverpool Street, E.C., 12. Hall-Thermotank, Home Garden Dartford, Kent, 12.45. International Investment Trust, Winchester House, 100 Old Broad Street, E.C., 12.30. Investing in Success Equities, Regis House, King William Street, E.C., 10.45. Mercantile Investment Trust, 20 Aldermanbury, E.C., 12. Needlers, Sculcoates Lane, Hull, 12. Ratcliffs, 75 Harborne Road, Birmingham, 3. Joseph Shakespeare, Station Hotel, Dudley, W. Midlands, 12.15. Sterling Estates, 78 Grosvenor Street, W., 4. Vantona, Midland Hotel, Manchester, 2.30 Westwood Dawes, Pedmore House, Hamlane, Pedmore, Stourbridge, 12.30.

Rugby Portland profits 5% better at £14.5m

ON TURNOVER 12.25 per cent higher at £98.6m pre-tax profit of Rugby Portland Cement Company for 1978 improved 5 per cent from £13.82m to £14.51m. At halfway the profit rise was from £5.86m to £6.28m.

Yearly earnings are shown to have risen from an adjusted 8.2p to 8.4p per 25p share and the dividend total is effectively lifted from 3.507p to 3.958p with a final payment of 2.093p net.

Lord Boyd-Carpenter, chairman, reports that once again the company has done well considering the low level of demand in the building industry. It has proceeded with major investments at its Rochester and Southam works, where considerable progress has been made despite disruptions due to poor weather.

In Australia the market was particularly dull during the second half but there are now signs of a recovery developing in some sectors.

The company owns 85 per cent of Cockburn Cement which operates just outside Perth.

	1978 £000	1977 £000
Turnover	98,600	87,837
UK	78,098	67,002
Overseas	20,602	20,835
Trading profit	13,916	12,332
UK	10,449	8,264
Overseas	3,467	4,068
Interest and inv. inc.	1,741	2,784
Interest paid	1,150	1,294
Profit before tax	14,507	13,822
UK tax	4,533	3,990
Overseas tax	1,706	1,833
Profit after tax	8,268	7,999
Minority profits	360	338
Attributable	7,908	7,661

The erection of a new lime plant to enable Cockburn to implement its 15 year agreement with Alcoa of Australia is on schedule and when commissioned in June will make Cockburn the largest cement and lime works in Australia.

The company's partnership with Societe des Ciments Francaise, a French cement manufacturer, in the ownership of Compagnie Financiere pour la Recherche et le Developpement (C.F.R.D.) has been reinforced by the addition, as a shareholder and a full co-operator, of the Italian cement company, Unicem.

Each company now holds one-third of the shares in C.F.R.D. which is registered in Luxembourg. The objectives of this co-operation are to further investment and consultancy work overseas.

The Rom River Company (Rugby's 100 per cent subsidiary) has also been affected by the low level of activity in the building industry. However it is expanding abroad by taking 30 per cent of the capital of Kuwait Steel Reinforcement, a company formed in March, and agreeing to provide the management for this company.

It is intended to introduce an Employee Shareholding Scheme which will take advantage of the taxation concessions introduced by the Finance Act 1978.

See Lex

HIGHLIGHTS

Lex looks at the sudden reversal for the unit trust industry where investors withdrew more than they invested during March. BL has produced its annual report which sheds light on its financing requirements for the next year or two. Rugby Portland Cement has increased its market share but profits are marginally disappointing after a fall overseas. Lex also considers the tussle between certain institutional investors and Canadian group Olympia and York where there are several loose ends in the English Property takeover situation following the defeat of two resolutions yesterday. Elsewhere Provident Financial's figures do not look particularly impressive with just a 12 per cent increase in profits. Camrex profits have collapsed and it looks as if it was lucky not to slide into the red, but the shares held fairly steady yesterday with a 2p fall at 50p.

London United ahead to £3.8m

TAXABLE PROFITS of London United Investments increased from £3.29m to £3.84m in 1978, on turnover up from £16.55m to £18.75m.

Insurance surplus of £4.14m (£3.28m) accounted for 98 per cent of gross operating profit of £4.23m (£3.63m), the majority of which was earned overseas.

After tax of £2.02m (£1.83m), stated earnings per 20p share are 21.51p, against 17.04p. The net total dividend is effectively raised from 4.20596p to a maximum permitted 5.3125p, with a 2.8125p final.

The directors explain that 1977 figures reflect certain accounting adjustments made in the group's manufacturing subsidiary's accounts.

● comment

Shares of London United Investments fell 5p to 172p in spite of the group taking advantage of the relaxed dividend rules, and a 17 per cent increase in taxable profits. But the full year's trading performance did not fulfill the promise of the half way stage. About 85 per cent of the group's insurance business is in US dollars so a stronger pound has not helped. Moreover, overall performance of the group has been somewhat "flattered" by the restatement—downwards—of the previous year's profits. Trading in Collis Cold Containers, about a fifth of sales in 1977, slumped but profitability in the insurance activities held up well thanks to the group's specialisation in excess of loss casualty underwriting where there has been a shortage of capacity. The shares yield 4.5 per cent at present levels, but are unlikely to attract interest in a depressed sector.

Bamfords turns in £641,971

PRE-TAX profits of Bamfords for 1978 was £641,971 compared with £976,360 for the previous 15 months.

Following two years of high agricultural machinery sales a downturn in the market in Europe, including the UK, was experienced during the year. Excess manufacturing capacity in the industry has caused intensified competitive activity with reduced profit margins resulting.

Despite these market conditions the half year announcement showed satisfactory sales and profit figures but it was forecast that the slowdown in demand would affect this company in the second half. In fact, sales in the second half amounted to £6.69m (first six months £11.34m) and first half profits of £730,000 were eroded by a loss of £88,029 in the second half.

Increases in the engineering industry's national minimum earnings levels in April and again in October reduced incentives with the resultant reduction of productivity affecting overhead absorption and profits.

Although sales in the first quarter of the current year are lower than the comparative quarter of last year, they have increased considerably over the rate of sales in the last six months of 1978 and by early March productivity had returned to more normal levels.

Earnings per 20p share are given at 8.42p (12.87p) and the net final dividend is 0.976p, making a total 1.936p (2.30p for 15 month period—equal to 1.760p per annum).

	12 mths. 1978	15 mths. 1976-77
Turnover	18,032,090	18,749,369
Trading profit	1,451,119	1,678,305
Depreciation	291,665	258,119
Interest	517,483	443,826
Profit before tax	641,971	976,360
Tax	10,494	130,700
Profit after tax	631,477	845,660
Dividend	146,200	185,000

JOHN BRIGHT

The formal document concerning the Largs offer for John Bright Group—already announced—has been issued.

Largs beneficially owns 3,861,720 shares (36.43 per cent) having recently acquired 1,209,220 shares at 38p, the offer price.

Office & Electronic rises to £2.27m

TAXABLE PROFITS of Office and Electronic Machines rose from £1.93m to £2.27m in 1978, on turnover up from £17.6m to £20.75m.

At halfway the surplus increased from £806,789 to £1m, and the directors expected a similar improvement in the full-year results.

After tax for the year of £1.2m (£1m), earnings per 25p share are shown higher at 17.52p, against 15.2p. The net final dividend is lifted from 2.8p to 3.19p, making 4.596p (4.12089p).

● comment

Profit and turnover growth at Office and Electronic Machines fell short of company forecasts, with the second half profit increase slipping to 13.4 per cent from 24.1 per cent in the first six months and sales growth down to 12.8 per cent from 23.6 per cent. The sluggish performance wast attributable to supply bottlenecks for Triumph-Adler machines from Germany, while the company was also vulnerable to cutbacks in Government expenditure. Supplies are now running normally and OEM should use the recently introduced SE 2000 model to benefit from a switch to electric from manual typewriters this year. The takeover of Triumph-Adler by Volkswagen is likely to boost investment in new model ranges, rebounding to OEM's benefit over the next few years. OEM's licence comes up for renewal in March next year but no change in the present arrangement is expected. At 156p the shares sell on a fully taxed p/e of 8.7 with the yield at 4.5 per cent.

RACAL/ADWEST

Racal has increased its stake in Adwest to 10.17 per cent.

Racal first announced a 5.4 per cent stake in Adwest in August, 1977, and has gradually increased it since.

Advance for Wade Potteries

WITH external sales showing an advance from £4.15m to £4.74m, Wade Potteries pushed pre-tax profits ahead from £360,162 to £529,558 in the six months to January 31, 1979.

First half stated earnings increased from 2.253p to 3.493p per 10p share and the net interim dividend is effectively lifted from 0.441p to 0.49244p. Last year's adjusted total was 1.121p.

Tax for the six months absorbed £153,414 (£128,830). Dividends cost £50,333 (£45,075), and £306,660 (£185,207) was retained.

● comment

First half results at ceramic producer, Wade Potteries are well up to market expectations though unexciting. The group has obviously benefited strongly from increased demand, its continuing heavy capital expenditure programme and the return to a five day week last year. Half time profits are 47 per cent higher whilst sales have jumped 14 per cent, indicating a marked improvement in margins by about 2.5 points. The second half is expected to yield a satisfactory increase but heavier cost increases are also anticipated largely as a result of expansion plans and the negotiations for annual wages for the pottery industry. At 82p yesterday, its shares are selling on a prospective dividend yield of about 3 per cent and a historic p/e ratio of 8.9.

Corinthian up to £0.57m: mixed start to 1979

DESPITE A slip in second half taxable profits from £354,675 to £340,674, Corinthian Holdings ended 1978 higher at £567,674 compared with £504,675 previously. Turnover rose from £4.45m to £6.17m.

The directors say this year started somewhat slowly for the textile division, owing to national industrial unrest and bad weather; however, the banking and financial services subsidiaries are continuing to improve.

As the major part of group profits are usually earned in the second half, it is too early to give an indication of the outcome for 1979.

The Board is continuing to examine various investment proposals which could broaden the company's base.

After tax for the year of £23,983 (£96,027), earnings per 10p share are shown to have risen from 6.5p to 9.2p. The net total dividend is stepped up from 0.7p to 1.05p, with a 0.7p final.

Attributable profit came through at £451,109 compared with £859,648 after an extraordinary debit of £47,466 (£506,482 credit) and minorities.

Pre-tax profit was struck after overheads and interest of £74,775 (£81,362) and provision releases £49,355 (£145,452).

● comment

Corinthian Holdings might reasonably claim that it has swept away the last cobwebs of the secondary banking crisis. Profits last year grew by 44 per cent, net cash stands at around £1.3m, the loan book climbed 61 per cent with a spurt in the level of advances in the last quarter and the shares, down 1p yesterday, of 4p to net asset backing. But of 8p to net asset backing. But a glance at the divisional breakdown emphasises Corinthian's reliance on textiles where the contribution last year was stagnant. The search for acquisitions may culminate shortly in a significant addition to the banking and financial services division but Corinthian has apparently suffered considerable difficulties in striking the right deal at the right price. The shares may struggle to break through to new ground until the textile imbalance is corrected. A full taxed p/e of 10.1 coupled with a yield of 4.1 per cent discount the elimination of contingent liabilities during 1978 and the award of a generally clean bill of health.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amalgamated Metal	10.9	June 7	10.31	16.4	15.81
Bamfords	0.98	June 15	0.44§	1.94	2.2§
Camrex	2.38	June 15	2.32	4.02	3.96
Common Bros. ......int.	4	—	2	—	6.52
Corinthian Hldgs.	0.7	July 3	0.5	1.05	0.7
EIS	2.22	—	2.02	3.29	2.99
London United	2.81	June 18	2.1	5.31	4.21
Long and Hanby ...int.	9.13	May 11	0.11*	—	0.4*
Lowland Drapery	2.66	July 2	2.62	3.6	3.47
MDW	20.1	—	1.8	3.01	2.7
Moran Tea ....int.	5	July 3	5	—	15
MY Dart ....int.	1	June 26	0.91*	—	2.21*
Office and Electronic	3.19	July 5	2.8	4.6	4.12
Revertex	2.27	June 30	2.27*	3.44	3.44*
Rugby Portland	2.09	July 2	—	3.96	3.51‡
W. A. Tyzack ......int.	0.5	May 31	0.36	—	1.42
Utd. Friendly Ins.	3.64	May 31	3.33	5.39	4.88
Wade Potteries ...int.	0.49	May 18	0.44*	—	1.12*
Wood and Sons	1.01	—	0.33	1.68	0.66

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Adjusted. § For 15 months.

Common Bros. to pay 84% more

FOR the eight months to April 28, 1979, Common Brothers reports a trading loss of £177,000, compared with a £23,000 profit previously. But after a surplus on sale of assets and investments this time, there was a profit of £223,000 against £775,000.

The surplus on sale of other assets and investments totalled £570,000. Last time there was a £1.35m surplus on sales of ships.

The net interim dividend is doubled to 4p, and the directors intend to increase total payments for the year by 84 per cent to 12p (6.5232p). The company is subject to a bid from British and Commonwealth Shipping, which the directors have rejected.

The pre-tax profit from sale of certain interests since June 30, 1978, amounts to £2.17m. Of this, £570,000 has been included in the interim figures.

The purchasers of M.V. Caribbean Endeavour, MV Caribbean Progress and MV Simonburn have the option, exercisable before June 1981, to settle the purchase price in full, in which case rebates of up to £700,000 would be due to them. Accordingly, in arriving at the profit on sale of these vessels, £700,000 has been deducted from the sale price to provide for this contingency.

Group net assets at June 30, 1978, were £8.01m, or 199p per share.

The fleet of the group has been independently valued by Eggar, Forrester, London ship brokers, at U.S.$36m (£17.3m) on the basis of worldwide market values at April 10, 1979, as between a willing seller and a willing buyer. This is subject to MV Kurdistan, which was damaged in a maritime accident, being fully repaired.

This valuation would, after all costs, expenses and tax, give rise to an additional 100p per share to the net asset value.

Acoustic and plastics losses hit Revertex

FOLLOWING A warning at half-way that attributable profits were unlikely to show an advance at the year-end, Revertex Chemicals finished 1978 with attributable surplus down from £1.43m to £705,000 after higher minority interest.

Taxable profits fell 10 per cent from £2.82m to £2.53m, reflecting losses in the acoustic and plastics division of Prodorite after relocation and development expenditure. However, the chemicals side had a good year.

At midway, the surplus was up from £1.57m to £1.81m.

Sir Campbell Adamson, chairman, says that without the losses, full-year profits would have increased by some 25 per cent on 1977 levels. Turnover rose from £59.51m to £60.35m.

The current year had a poor start because of secondary picketing during the lorry drivers' dispute and the bad weather. But the board is confident the measures already taken, together with further steps to increase productivity and reduce costs, will improve the attributable profit level.

The tax charge for the year was £1.37m against £1.17m. The directors explain the adoption of SSAP 15 means losses in the 100 per cent owned acoustic and plastics divisions are unrelieved.

Stated earnings per 25p share are 4.95p compared with an adjusted 10.03p, and the net total dividend is effectively maintained at 3.44p, with a 2.27p final.

Minorities rose from £223,000 to £459,000. After an extraordinary debit of £448,000 (£359,000), attributable profit was £257,000 (£1.07m). Dividends again absorbed £590,000.

Manufacturing losses of the acoustic division and Prodorite plastics division were £761,000 and £213,000 respectively, before interest and group charges.

	1978 £000	1977 £000
Turnover	60,348	59,508
Trading profit	*2,284	2,788
Assocs. profits	794	641
Interest	627	584
Profit before tax	2,531	2,815
Tax	1,367	1,165
Net profit	1,164	1,650
Minorities	459	223
Attributable	705	1,427
Extraord. debit	448	359
Leaving	257	1,088
Dividends	590	590
Withdrawn reserve	333	†578

*After £1.17m depreciation. †To reserve.

● **comment**

Pre-tax profits at Revertex dropped 42 per cent in the second half. Continued losses by the acoustic division and the accelerating downturn in the Prodorite plastics division only partly explains the fall. It appears that the chemical division, which accounts for the bulk of turnover, was hit by rising "fixed costs," a slowdown in demand and the jump in naptha prices which occurred from October onwards. There were some product price rises but these were not enough to ease the pressure on margins which developed in the closing stages of 1978. The prospects for the current year are not bright. Profits were £250,000 down on budget after the lorry drivers' strike and the bleak weather of January and February. March was a good month but the company will have to run fast to post an interim figure comparable with last year's £1.8m. Provided the acoustic division reaches break even by the end of the year (as the company hopes) and the Prodorite Plastics problems are solved pre-tax profits for 1979 could show a small improvement on 1978. The shares, which slipped 4½p to 57½p yesterday, are on historic p/e of 11.2 and a yield of 9.3 per cent.

Camrex down to £42,000 over year

A MIXTURE of delayed commencement and completion of certain contracts, and particularly an imbalance between maritime and industrial activities, has led to a slump in profits at Camrex from £1.96m to £42,000 for 1978.

	1978 £000	1977 £000
Turnover	21,387	24,2?9
Profit	839	2,625
Depreciation	635	665
Exceptional debit	*131	—
Associates loss	31	—
Profit before tax	42	1,960
Taxation	†775	‡981
Minority interest	5	8
Extraordinary debit	—	129
Available	812	846
Dividends	388	349

* In respect of amounts paid to secure retirement benefits and compensation for loss of office to former directors. † Charge. ‡ Affected by adjustments to deferred tax in line with SSAP 15.

There was an improvement in the latter months of the year, and the directors are confident this will continue in 1979.

The level of inquiries and orders show that the first half will be difficult, but over the full year there should be "real improvement."

Earnings are shown at 3.45p (11.51p) per 20p share. A final dividend of 2.38p lifts the net total from 3.96p to 4.02p.

Recently Camrex proposed to take over Dufay Bitumastic, which is heavily involved in the industrial markets and so would have complemented existing activities. Almost complete agreement was reached with the Dufay board as to the sound industrial logic of joining the two companies. Camrex now has 29.75 per cent of Dufay's capital and will continue to explore avenues of mutual cooperation.

● **comment**

Camrex was lucky not to slip into the red during 1978. Against a background of continuing recession in the shipping industry, demand for the company's paint and corrosive coatings has been held back by a wet summer and abnormally cold winter—the most likely factors behind the delays in completing contracts worth roughly £3m. In addition the early retirement of the former chairman and his son has cost the company £131,000 in compensation.

The trading outlook, certainly in the short term, looks somewhat bleak. The shipping industry shows no sign of a recovery and it is clearly taking longer than anticipated to expand into the more buoyant industrial sector—in spite of an extensive worldwide network of outlets which have, until now, been used to extend the marine activities. The company is stepping up its research and development programme and the current order book shows an improvement over last year but a return to the £2m record profit levels of 1976 looks a long way off. At 50p the p/e is 5.6, while the main prop is the 12.6 per cent yield which is only covered with the help of a big tax writeback.

Scot. Equitable lifts bonus

The Scottish Equitable Life Assurance Society has announced a substantial increase in its rate of intermediate bonus with effect from January 1, 1979, in respect of ordinary assurances. The new rate is now £4.70 per cent per annum of the basic benefit and attaching bonuses compared with £4.30 per cent previously. All quotations for with profits individuals contracts are now being prepared on this new rate.

The company declared full bonuses every three years, with the next declaration relating to the triennium ending December 31, 1980. The company has already announced higher intermediate bonus rates on all its with-profit pensions contracts. It is one of the few life companies that does not pay a terminal bonus on death or maturity claims.

MY Dart makes progress and keeps up investment

FOR THE six months to December 30, 1978, M.Y. Dart, manufacturer of sports equipment, packaging materials and pyrotechnics, reports an advance in taxable profits from £722,000 to £810,000, on turnover ahead from £7.04m to £8.96m.

Mr. S. Marks, chairman, says the activities of Dawes Cycles and of the group's warehouse and factory in the U.S. have now been brought into profitable operation. The group continues to invest heavily in the plant, machinery and premises necessary to provide for continued expansion. Possibilities for adding to activities by acquisition or association are also being investigated.

He adds that he feels great confidence in a future of growing prosperity for the group.

The net interim dividend is effectively lifted from 0.90909p to 1p at a cost of £137,000 (£124,000). Last year's total payment was an adjusted 2.211p on profits of £1.55m.

First half profit was struck after depreciation of £260,000 (£182,000) and interest of £107,000 (£62,000). Tax for the period took £421,000 (£375,000).

Comparative figures have been restated following a change in accounting policies in 1977-78 relating to depreciation of freehold and long leasehold property.

It is expected that the tax charge for the full year will be alleviated by capital allowances exceeding relevant depreciation provisions and that some further stock relief may arise.

In a review of the first half Mr. Marks reports that sales increased in almost every section and included the turnover of Dawes Cycles which was not in ownership in the first half of 1977-78.

Provisions for depreciation and charges for interest reflect the substantial rate of capital expenditure incurred last year and continued in the current year.

● **comment**

Although the stronger pound continues to take the competitive edge of exports, MY Dart has followed up last year's second half downturn of 16 per cent with an interim profits rise of 12 per cent. All divisions have shown modest progress, although the results do not include a profits contribution from the new ventures. These should come through strongly in the second half and enable the company to make a full recovery to at least £1.7m for the year. At this level the shares, at 59p, sell on a fully-taxed prospective p/e of 10.6 while the yield is 6.3 per cent. Dawes will provide the key to long-term growth if demand for bicycles continues to rise.

Provident Financial £1.2m rise

THE SATISFACTORY result forecast by Provident Financial Group for 1978 turns out to be a £1.19m profit rise to £10.73m.

Turnover advanced from £174.8m to £214.06m. Deferred revenue totalled £30.14m (£24.72m) and £161m (£135.29m) was due from customers.

	£000 1978	£000 1977
Turnover	214,057	174,804
Deferred revenue	30,144	24,718
Due from customers	161,093	135,298
Interest charges	6,911	6,254
Profit before tax	10,730	9,540
Taxation	5,224	5,114
Extraordinary debit	810	—
Attributable	4,086	4,426
Ordinary dividends	2,141	1,971
Preference	31	34
Pref. redemption	66	74
Retained	2,448	2,397

Interim dividends of 1.8006p and 3.6413p have already been paid making a total of 5.4419p net per share (4.9227p). This payment does not preclude a further dividend if income tax is reduced.

The group is principally engaged in providing documentary, personal loan and other credit facilities.

● **comment**

Given that Provident Financial's average cost of money was lower in 1978 and turnover was up by 22 per cent, a 12½ per cent increase in pre-tax profits is not particularly impressive. The industrial disputes which ran into early 1979, could have cost the group £½m but against this Provident's newer ventures such as Unicredit and Halifax Insurance should have contributed more. In the current year, Provident's business has been hit by high interest charges and some slackening in retail sales. However, in the second six months should see some improvement provided interest rates fall further. At 115p the shares yield 7.1 per cent.

MDW recovery

WITH SECOND half profits expanding from £376,000 to £726,000, MDW Holdings recovered from £671,000 to £1.07m in 1978. The surplus in 1976 was £1.26m.

Turnover for the year of this building and civil engineering contractor rose from £22.1m to £28.7m.

After tax of £548,000 (£385,000), stated earnings per 25p share are up from 5.27p to 8.78p. The net final dividend is raised from 1.8032p to 2.0113p—subject to Treasury approval — making 3.0113p (2.6967p).

UK COMPANY NEWS

BL determined to be profitable: not run under different rules

IN THE current year, BL plans to improve its trading profit, says chairman Mr. Michael Edwardes in the report and accounts for 1978. "The board and management are determined that BL will become profitable with a secure future.

"There is a popular misconception that BL is subject to different rules than those which apply to other commercial undertakings and that endemic overmanning will be accepted by the BL board and paid for by the public." Mr. Edwardes continues. "The facts are different. The BL board's terms of reference are to run the company on strict business lines.

"The National Enterprise board expects the company to earn sufficient profit to match their funding on a pound-for-pound basis through the period of the Plan. This means that if profits are not earned at the planned level, either because of industrial disruption, or for any other reason, then product lines would have to be discontinued. This in turn would mean cutbacks in the investment programme and could mean the closure of factories."

The report splits 1978's profits into three categories. These are automotive products, which made a profit of £18m before the cost of exceptional manpower reductions compared with a loss in 1977 of £5.3m; construction equipment and material handling, which lost £5.6m compared with a profit of £3.1m; and commercial refrigeration and other activities, which turned in a profit of £2.9m against £5.3m in 1977.

On the car side Austin Morris improved substantially its overall performance during 1978, and made a small operating profit. The report states that whereas much of the growth by UK based competitors has resulted from their own imports, 95 per cent of Austin Morris vehicles sold in 1978 were made in Britain.

A major constraint on the product range is the shortage of adequate technical resources. These are said generally to be insufficient to allow the company to engineer its urgent product revisions as quickly as it would like.

The main priority for Austin Morris is to launch the new Mighty Mini on schedule—in the second half of 1980. This project, which includes the modernisation of Longbridge, involves expenditure of £275m.

A new divisional analysis shows that Austin Morris exports last year amounted to £132m out of total sales of £1.18bn. By contrast exports of Jaguar Rover Triumph totalled £454m out of a total sales revenue of £936m.

AUSTIN MORRIS	
Total sales revenue	£1.18bn
UK export sales	£132m
Capital expenditure	£77m
Manpower	46,000

Jaguar Rover Triumph, which was established during the first half of 1978, had two chief priorities in the year. One was to establish a sound business organisation, and the other was to improve quality, reliability and the supply of models. Output for the JRT range during 1978 rose by 10,000 units to 233,200, despite the loss of 48,000 vehicles following strikes and the closure of the TR7 assembly plant at Speke.

However, JRT's productivity continued to be unsatisfactory, and an improvement in 1979 is a key management objective. An overall priority is to increase production capacity to meet market demand. Its major investment will be to double Range Rover output and to increase Land-Rover capacity by 70 per cent over three years at a cost of £285m.

JAGUAR ROVER TRIUMPH	
Total sales revenue	£936m
UK export sales	£454m
Capital expenditure	£48m
Manpower	37,000

BL Components, which was formally established as a separate profits centre in July, comprises Pressed Steel Fisher, BL Parts, SU-Butec, and BL Foundries. About 40 per cent of its total sales of £651m were to customers external to BL.

One of the main restraints on its profitability is excess manufacturing capacity, and overseas business is being sought to fill the gap. But the report says that plant closures will also have to be considered unless demand of major customers is more consistently maintained. Action has already been taken to eliminate a known surplus in grey iron capacity in the long term. Components' objective is to become less dependent on BL in the future.

BL COMPONENTS	
Total sales revenue	£651m
UK export sales	£109m
Capital expenditure	£31m
Manpower	40,000

Within BL Commercial Vehicles, Leyland Vehicles had a difficult year, largely as a result of industrial disputes. This resulted in the first loss that has been recorded by the Leyland commercial vehicle operation. Its share of the market for trucks dropped from 22.8 to 19.3 per cent, while its share of the UK tractor market fell from 4.7 to 4.1 per cent. Deliveries to export markets slumped by 6,000 to 15,000 units.

During 1979, a major rationalisation of the company's manufacturing activities is planned. The AEC plant at Southall is to close, and production of the Marathon truck range and the TL 12 engine are to be transferred to the Scammell plant at Watford and the Leyland plants respectively. Reduction in the workforce at certain other plants is planned.

BL COMMERCIAL VEHICLES	
Total sales revenue	£637m
UK export sales	£174m
Capital expenditure	£60m
Manpower	42,000

—Table ... ... ysIaa

The table of source and use of funds shows that BL generated £55m from its trading activities in 1978. Its spending amounted to £345.7m—including capital spending of £233.3m—and the main source of finance was the net proceeds of £444.4m from a rights issue underwritten by the NEB. The group is planning a further equity issue of £150m this year, and an ordinary resolution of the company will be proposed at the annual meeting on May 17 to increase the authorised capital from £650m to £850m.

See Lex

BIDS AND DEALS

Kitchen Queen puts up £2.14m for Knott Mill

Market newcomer Kitchen Queen has made an agreed bid of £2.14m for the Rochdale-based carpet retailer Knott Mill Holdings.

The offer, which follows the suspension last Thursday of both companies' shares, is on the basis of 31 Kitchen Queen shares for every 22 Knott Hill.

Based on Kitchen Queen's suspension price of 44p, the bid values each Knott Mill share at 62p, compared with 27p at the time of suspension. A cash alternative will be made available.

The directors and one substantial shareholder of Knott Mill, who control more than 40 per cent of the equity, have agreed to accept the offer.

Kitchen Queen, which only came to the market last November, is involved both in retailing where it offers a variety of kitchen, bedroom and living room furniture, and manufacturing where it operates under the Di Lusso brand name. For the year to last August sales of £15.1m produced pre-tax profits of around £1.5m.

Knott Mill incurred a loss of £182,000 before tax on turnover of £4.5m for the year to February 1978, but based on management accounts turnover for the year to February this year is said to have been about £7m.

Kitchen Queen's chairman Mr. Neville Johnson said yesterday that the purchase of Knott Mill's 44 retail outlets would move Kitchen Queen's expansion "ahead by two full years."

It would enable Knott Mill to diversify its product range which would now embrace self assembly DIY furniture and carpets. "I would envisage turnover of the enlarged group for the year ending August 1980 should comfortably exceed £30m," he added.

REABROOK IN TAKEOVER TALKS

Shares of Reabrook Investment Trust were temporarily suspended yesterday at 53p. Reabrook says it is negotiating an acquisition "which would substantially alter the nature of the company" and further details will be available as soon as possible.

ICFC SELLS BLOCK IN HALLE MODELS

A consortium of institutions, including Norwich Union, Gartmore Trust and London and Manchester Assurance, has bought a controlling interest in Halle Models from Industrial and Commercial Finance Corporation.

Halle is a privately owned manufacturer of lingerie, nightwear and children's clothing and is a large supplier to British Home Stores, Littlewoods and Mothercare.

ICFC's stake was 82.5 per cent of the company's equity; Gresham Trust owned 12½ per cent and the directors owned 5 per cent. Now 72.5 per cent of ICFC's stake has been sold to the institutions and 10 per cent has been retained. Gresham's stake remains unchanged.

ICFC last night refused to disclose the price, but said that it was not policy to maintain majority holdings in industrial companies.

Since ICFC took control in 1973 sales have advanced from £3.2m to £11.6m in 1978 while over the same period profits have increased by £436,000 to £703,000 in 1978.

NO PROBE

The proposed merger between HAT Group and Glass and Metal Holdings is not to be referred to the Monopolies Commission.

Bodycote acquisition

On the eve of its preliminary figures, which are due today, Bodycote International has announced agreement to buy a private engineering company for £1m now and a maximum further £1m over the next three years depending on profit performance.

The company is Blandburgh, a heat treatment specialist which had net assets at the end of last month of £1m.

Pre-tax profits for the year to March amounted to £349,000 and the directors anticipate that profits this year will be above £400,000. If they reach that, then Bodycote will pay a further £400,000 for the company plus £600,000 in stage payments if the growth continues for the next three years.

The formula means that if Bodycote pays out the full £2m for the company, Blandburgh's profits over four years will have added up to £2.3m or more at the pre-tax level.

Bodycote will fund the initial £1m payment by an unsecured bank loan.

LIT SELLS STAKE IN CLAIRMACE

London Investment Trust, the group formerly headed by Mr. Oliver Jessel, has sold 200,000 shares in Clairmace, the unlisted former tea company controlled by Mr. Jessel.

The sale represents LIT's entire holding of 7.3 per cent in Clairmace.

Mr. Jessel resigned as chairman of LIT, the former Catel Trust, earlier this month.

YULE CATTO

A trust of which Lord Catto, vice chairman of Morgan Grenfell, is a trustee, bought some of the Yule Catto shares sold by Morgan Grenfell "through the market" on April 9.

The trust bought 223,013 of the 1,223,013 shares on offer at 77p per share. The shares closed that day at 81p, up 3p. The trust already owned 921,831 shares so its total holding is now up to 1,144,844 (6.9 per cent). Lord Catto owns 302,152 shares in his own right, and Mr. Richmond Watson, another trustee of the same trust, owns 110,000.

The major shareholder of Yule Catto is Kuala Lumpur Kepong with 4,327,416 shares (26.1 per cent).

AUDIOTRONIC

Mr. Geoffrey Rose has bought 118,782 shares in Audiotronic Holdings from his fellow director Mr. Benson Selzer. The share swop leaves the two holding identical stakes of 13.2 per cent of the equity.

Mr. Selzer acquired his stake at the beginning of the year. A director of the U.S. Nytronics group, he was brought on to the Audiotronic Board at the time Mr. Rose stepped in as "company doctor." Nytronics also had an interest in Crellon Holdings, another electrical company in which Mr. Rose acted briefly as "company doctor." Together with Mr. Rose Nytronics sold out its stake in Crellon in February.

CORAL LEISURE

Coral Leisure Group announce that its subsidiary Coral Racing has finalised negotiations for the purchase of the Colin D. Simms chain of betting shops.

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MINING NEWS

Australian export price controls easing

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA is scrapping its controversial federal iron ore "price-maintaining" controls, reports Don Lipscombe from Perth. Announcing this delicate compromise yesterday, the Australian Prime Minister, Mr. Malcolm Fraser, said that major iron ore negotiations had recently been concluded and "the exercise of the guidelines is not an immediate matter for the iron ore industry.

"For other minerals, namely bauxite, alumina and coal, the present guidelines (on prices) will be maintained" until discussions are concluded within a Federal-States consultative mechanism being formed to iron out this problem.

Thus there is minimum embarrassment over the back-down which has brought Mr. Doug Anthony, Minister for Trade and Resources into conflict with his colleagues, particularly with Western Australia's Premier, Sir Charles Court, and less publicly with Mr. Fraser, to whom Mr. Anthony is deputy.

Mr. Fraser stressed the need for Federal and State powers to be used in concert, and acknowledged the differences in view over how Federal powers should be used.

"There is no challenge either to the Commonwealth's constitutional authority in export controls or that they should be exercised in certain circumstances," he said, "for there can be important national interests at stake. From time to time the Commonwealth's export controls have been used to advantage at the request of state governments."

However the announcement, coming after months of acrimony, is considered in Western Australia to be a clear win for Sir Charles' style of counter-attack after Mr. Anthony announced tighter controls on minerals pricing before contracts had been arranged and brought forward for federal approval.

The states' constitutional view is that while Canberra has the right to approve the import of capital and the export of commodities, the state's role is to generate and promote mining developments and contracts with the minimum Government interference—a view that sits well with customers, particularly the Japanese steel mills' buying cartel which takes nearly half its iron from Western Australia's Pilbara region.

MARY KATHLEEN

The recovery at Mary Kathleen Uranium, the only producing uranium mine in Australia, was checked in the 1979 first quarter when production fell to 148.3 tonnes from 199.4 tonnes in the final quarter of last year.

The production figures were announced at the annual meeting in Melbourne yesterday by Sir Frank Espie, the chairman. More than three weeks' production was lost during the quarter because of a wages dispute, which has now been settled. However, output was still higher than the 116.6 tonnes produced in the 1978 first quarter.

Sir Frank's address contained no estimate of 1979 earnings but he did say that it had been possible to reschedule deliveries to three Japanese utilities for the 1979-80 period. Deliveries had been outside the contracted time because of production difficulties.

Last year Mary Kathleen made a net profit of A$707,000, its first profit since resuming production three years ago. Sir Frank is now retiring and his place as chairman is being taken by Mr. Jack Liebelt, an executive director of Conzinc Riotinto of Australia, Mary Kathleen's parent company.

LKAB expects reduced loss

SWEDEN'S state-owned iron ore mining company Luossavaara-Kiirunavaara (LKAB) expects its 1979 group operating loss after planned depreciation to fall by over SKr 200m (£21.7m) according to the managing director, Mr. Sven Johansson in the latest annual report.

Last year LKAB, owned by the state holding company, Statsfoeretag, posted a group loss on this basis of SKr 499.3m against SKr 432.1m in 1977. Operating incomes rose to SKr 1.94bn from SKr 1.65bn but the dividend was again omitted.

Mr. Johansson said the company is now on the long difficult road to profitability although it expects another large loss this year.

He added that the expected reduction in losses stems partly from larger volume demand for the company's products, especially pellets, and partly from rationalisation begun in the autumn of 1976 and due to be intensified this year.

He said that the company could regain its competitiveness against overseas mining companies despite their lower wage costs, more easily workable mines and better rail transport.

Although LKAB currently sells almost half its production as phosphorous ore, the expected drop in European steel mill demand for such ore after 1982 is one reason why the company plans to raise annual pelletising capacity at Kiruna to 3.5m tonnes from 2m tonnes.

Amax investing $135m in BC

AMAX, the diversified U.S. minerals group and world leader in molybdenum, is to spend $135m (£65.2m) to bring the Kitsault molybdenum project in British Columbia back to production, reports John Soganich from Toronto.

Production is scheduled to start in the second quarter of 1981 at a rate of 12,000 tons of ore a day. As previously reported in these columns, reserves are sufficient for 25 years and total 105m tons. Annual concentrate output will be 8.6m lb.

Elsewhere in Canada, Amax has obtained water and land-use permits "for long-range development," as it put it, of the MacTung prospect on the Yukon-Northwest Territories boundary. Mineralisation at MacTung is estimated at 31.9m tons, averaging 0.96 per cent tungsten trioxide. But there is a higher grade ore, where 4.7m tons grading 1.41 per cent has been defined.

ROUND-UP

South Africa's uranium-gold producing West Rand Consolidated Mines comments in the annual report that the average price of uranium sold under past negotiated contracts is still well below current contracts despite some success in renegotiations. However, efforts are continuously being made to secure better prices on existing contracts. The mine's uranium ore production is to be further increased this year to 85,000 tonnes from around 83,000 tonnes per month in 1978.

* * *

Provided that the gold price remains at around recent levels, South Africa's Randfontein expects to at least maintain dividends. No decision has yet been made on the sinking of a third shaft complex in the southern sector of the Cooke section, preliminary investigations into which were completed earlier this year.

L & G heavy in Gilts

The Legal and General Assurance Society, the second largest life company in the UK, remained heavily committed to the gilt market last year, according to the 1978 report and accounts. A total of £180m was invested in fixed-interest securities, mainlq gilts, taking advantage of the high yields available. A further £16m was invested in equities and property, including £3m in rights issues.

At the end of the year, the society had almost £700m in gilts in its long-term funds—a rise of 12 per cent on the year—with a further sum in excess of £200m in other fixed interest securities and almost £200m in mortgages and loans. Equity holdings amounted to £429m against £416m previously, but the value of property holdings advanced from £584m to £652m on the long-term funds.

During 1978, premuim income on long-term business improved by 18 per cent from £404m to £478m and investment income by nearly 25 per cent from £218m to £272m. Claims and expenses were 10 per cent higher at £303m, so that the long-term funds at the end of the year stood at £3.07bn against £2.59bn at the beginning. As already reported, the group's managed pension fund subsidiary, passed the £1bn mark during the year.

A plea for continued all party concensus in the pension's field is made by Lord Caldecote, the chairman of L and G, in his annual statement accompanying the report and accounts. He points out that this concensus worked well for the creation of the new state scheme and a promised settled future for occupational pensions schemes. He looks forward to achieving a similar concensus on other important issues facing the pensions industry, such as the rights of employees who change jobs.

Lord Caldecote attacked the demands being made for some regulation of investment of insurance company funds. If it meant direction in the gilts market, it would only destroy the market, while channelling money into new investment in industry would result in a separation between the responsibility for risk-taking and the ultimate result. Neither course would be in the interest of policyholders.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Atlanta, Baltimore and Chicago Regional Investment Trust, Linread, Spencer Gears.

Finals: Alpine Holdings, Bodycote International, Danish Bacon, English National Investment, Estates Duties Investment Trust, Farm Feed, Farnell Electronics, Foseco Minsep, J. B. Holdings, Martin-Black, John Menzies, M. F. North, Oxley Printing, Geo. G. Sandeman, Securities Trust of Scotland, Sheffield Brick, Siemssen Hunter, Silentnight, Tozer, Kemsley and Millbourn, United Carriers.

FUTURE DATES

Interims:	
Ulster TV	May 4
Wellco	Apr. 30
Finals:	
Aberdeen Investments	May 14
Averys	May 8
Barr and Wallace Arnold Trust	May 8
Chesterfield Properties	Apr. 26
Clarke (Clement)	May 2
Cope Sportswear	Apr. 25
Elbar Industrial	Apr. 25
Holyrood Rubber	May 2
Hongkong (Selangor) Rubber	May 2
Hoover	Apr. 26
Kuala Selangor Rubber	May 2
Laporte Industries	May 2
London Atlantic Invest. Trust	May 23
Mallinson-Denny	May 9
More O'Ferrall	May 8
Photax (London)	Apr. 25
Porter Chadburn	May 3
Thomson T-Line Caravans	Apr. 25
Tootal	Apr. 30
Weeks Associates	†May 11
Wire and Plastic	May 1

† Amended.

W. Tyzack expects to hold profit

PRE-TAX profits of W. A. Tyzack and Co. were £215,833 in the six months to January 31, 1979. In the previous half-year, the £117,790 profit was abnormally poor, the directors state.

Narrowing profit margins and changing world trade conditions mean second-half results will be somewhat depressed, the directors add. As a result, full-year profits are expected to be about the same as the £541,274 achieved last time.

The net interim dividend is stepped up from 0.363p to 0.5p—last year's total was 1.4226p.

Further growth gives EIS record £1.82m

CONTINUING the growth pattern of the previous six years, Electrical and Industrial Securities, engineer, improved pre-tax profits from £1.41m to a record £1.82m in 1978.

At midway, when the increase was from £662,300 to £874,900, the directors said that second half results would be as good as those for the first.

They now say that the acquisition of C. F. Taylor (Holdings) has proved fully justified. It gave rise to a £2.35m increase in reserves and even after carrying significant costs, the Taylor companies earned the expected level of profit. They have an excellent order book and the opportunity to continue improving their performance.

The other EIS companies, increased turnover and total profits; Kontak making the most significant contribution and more than balancing variations in other companies.

All the companies continue to have good long-term prospects and orders in-hand total £20m.

Yearly earnings per 25p share are given at 7.91p (6.165p) and the final dividend is 2.2205p net for a 3.293p (2.994p) total.

	1978 £	1977 £
Turnover	21,441,752	11,856,842
Trading profit	1,836,124	1,282,096
Share of assoc.	11,165	—
Interest payable	28,617	†126,228
Profit before tax	1,818,672	1,408,324
Tax	943,340	723,204
Profit after tax	875,332	685,120
Extraordinary credit	—	6,031
Available	875,332	691,151
Dividends	372,171	342,529
Retained	503,161	348,622

† Receivable.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on April 23, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations. (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	91.01
Albania	Luk	10.077
Algeria	Dinar	7.92
Andorra	French Franc	9.035
	Spanish Peseta	140.80
Angola	Kwanza	60.118
Antigua (S)	E. Caribbean $	5.59
Argentina	Ar. Peso Free Rate	2466
Australia (S)	Australian $	1.8685
Austria	Schilling	28.845
Azores	Portug. Escudo	101.45
Bahamas (S)	Ba. Dollar	2.0685
Bangladesh (S)	Taka	31.89 (sg)
Bahrain (S)	Dinar	0.794
Balearic Isles	Spa. Peseta	140.80
Barbados (S)	Babados $††	4.137
Belgium	B. Franc	(cm) 62.55
		(fn) 63.45
Belize	B $	4.157
Benin	C.F.A. Franc	451¾
Bermuda (S)	Bda $	2.0685
Bhutan	Indian Rupee	17.075 (sg)
Bolivia	Bolivian Peso	41.37
Botswana (S)	Pula	1.713
Brazil	Cruzeiro ‡‡	49.04
Brit. Virgin Isles (S)	U.S. $	2.0685
Brunei (S)	Brunei $	4.5515
Bulgaria	Lev	1.766
Burma	Kyat	13.915
Burundi	Burundi Franc	188.91
Cameroon Republic	C.F.A. Franc	451¾
Canada	Canadian $	2.3625
Canary Islands	Spanish Peseta	140.80
Cape Verde Isle	Cape V. Escudo	75.521
Cayman Islands (S)	Cay. Is. $	1.7237
Cent. African Rep.	C.F.A. Franc	451¾
Chad	C.F.A. Franc	451¾
Chile	C. Peso	(Bk) 73.40
China	Renminbi Yuan	3.2999
Colombia	C. Peso	(F) 87.27
Comoro Islands	C.F.A. Franc	451¾
Congo (Brazaville)	C.F.A. Franc	451¾
Costa Rica	Colon	17.789
Cuba	Cuban Peso	1.4968
Cyprus (S)	Cyprus £	0.7425
Czechoslovakia	Koruna	(com) 10.8
		n c 21.5
		(T) 18.81
Denmark	Danish Krone	10.94
Djibouti	Fr.	345.0
Dominica (S)	E. Caribbean $	5.59
Dominican Repub.	Dominican Peso	2.0685
Ecuador	Sucre	(O) 51.43
		(F) 58.10
Egypt	Egyptian £	(U) 1.4025
Equatorial Guinea	Peseta	140.80
Ethiopia	Ethiopian Birr	(P) 4.2867
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	10.94
Fiji Islands	Fiji $	1.7418
Finland	Markka	8.285
France	French Franc	9.035
French C'tyin Af*	C.F.A. Franc	451¾
French Guiana	Local Franc	9.035
French Pacific Is.	C.F.P. Franc	164.27
Gabon	C.F.A. Franc	451¾
Gambia (S)	Dalasi	3.9907
Germany (East)	Ostmark	3.9325
Germany (West)	Deutsche Mark	3.9325
Ghana (S)	Cedi	5.71 (sg)
Gibraltar (K)	Gibraltar £	1.0
Gilbert Islands	Australian $	1.8685
Greece	Drachma	N.A.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	10.94
Grenada (S)	E. Caribbean $	5.59
Guadaloupe	Local Franc	9.035
Guam	U.S. $	2.0685
Guatemala	Quetzal	2.0685
Guinea Republic	Sily	39.951
Guinea Bissau		71.21
Guyana (S)	Guyanese $	5.2747
Haiti	Gourd	10.342
Honduras Repub.	Lempira	4.15
Hong Kong (S)	H.K. $	10.0675
Hungary	Forint	(com) 73.61
		(T/nc) 42.06
Iceland (S)	I. Krona	681.25
India (S)	Ind. Rupee	17.075
Indonesia	Rupiah	1292.8
Iran	Rial	151.5
Iraq	Iraq Dinar	0.6112
Irish Republic (k)	Irish £	1.0258
Israel	Israel £	46.25
Italy	Lira	1749
Ivory Coast	C.F.A. Franc	451¾
Jamaica (S)	Jamaica Dollar	3.5992
Japan	Yen	451.5
Jordan (S)	Jordan Dinar	0.616 (sg)
Kampuchea	Riel	2482.2
Kenya (S)	Kenya Shilling	15.575
Korea (Nth)	Won	1.77 (!)
Korea (Sth)	Won	1003.57
Kuwait (Sth)	Kuwait Dina	0.575
Laos	Kip Pot Po	827.4
Lebanon	Lebanese £	6.5574
Lesotho	S. African Rand	1.7550
Liberia	Liberian $	2.0685
Libya	Libyan Dinar	0.6124
Liechtenstein	Swiss Franc	3.5575
Luxembourg	Lux Franc	62.35
Macao	Pataca	10.735
Madeira	Portug'se Escudo	101.45
Malagasy Republic	MG Franc	451¾
Malawi (S)	Kwacha	1.7075
Malaysia (S)	Ringgit	4.5940
Maldive Islands (S)	Mal Rupee	8.1292
Mali Republic	Mali Franc	903.5
Malta (S)	Maltese £	0.7510
Martinique	Local Franc	9.055
Mauritania	Ouguiya	90.119
Mauritius (S)	M. Rupee	12.484
Mexico	Mexican Peso	47.17
Miquelon	C.F.A. Franc	451¾
Monaco	French Franc	9.035
Mongolia	Tugrik	(O) 5.867 (!)
Monserrat	E. Caribbean $	5.59
Morocco	Dirham	8.16 (sg)
Mozambique	Moz. Escudo	66.096
Nauru	Australian Dollar	1.8685
Nepal	Nepalese Rupee	24.822
Netherlands	Guilder	4.2575
Netherland Antilles	Antillian Guilder	3.7026
New Hebrides	Franc.	146.02
	Aust. Dollar	1.8685
New Zealand (S)	N. Z. Dollar	1.9740
Nicaragua	Cordoba	20.5777
Niger Republic	C. F. A. Franc	451¾
Nigeria (S)	Naira	1.26738 (sg)
Norway	Norway Krone	10.6525
Oman Sultate of (S)	Rial Omani	0.714
Pakistan	Pakistan Rupee	20.42
Panama	Balboa	2.0685
Papua N. Guinea (S)	Kina	1.4918
Paraguay	Guarani	256.00

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.7065
Peru	Sol	exc (A) 436.94
Philippines	Philippine Peso	15.262
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	1.9740
Poland	Zloty	(Cm) 62.83
		(T) 62.82
Portugal	Portugu'se Escudo	101.45
Port Timor	Timor Escudo	101.45
Principe Islands	Portugu'se Escudo	101.45
Puerto Rico	U.S. $	2.0685
Qatar (S)	Qatar Ryal	7.94
Reunion Ile de la	French Franc	9.035
Rhodesia	Rhodesian $	1.4345
Romania	Leu	(Cm) 9.07
		(c/c/T) 24.35
Rwanda	Rwanda Franc	191.90
St. Christopher (S)	E. Caribbean $	5.59
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.59
St. Pierre	C.F.A. Franc	451¾
St. Vincent (S)	E. Caribbean $	5.59
Salvador El	Colon	5.17
Samoa American	U.S. $	2.0685
San Marino	Italian Lire	1,749
Sao Tome	Portugese Escudo	101.45
Saudi Arabia	Ryal	6.99
Senegal	C.F.A. Franc	451¾
Seychelles	S. Rupee	13.33
Sierre Leone (S)	Leone	2.2077
Singapore (S)	Singapore $	4.5515
Solomon Islands (S)	Solomon Is. $	1.8719
Somali Republic	Somali Shilling	(A) 13.021
South Africa (S)	Rand	1.7550
South West African Territories (S)	S. A. Rand	1.7550
Spain	Peseta	140.80
Spanish ports in North Africa	Peseta	140.80
Sri Lanka (S)	S. L. Rupee	32.00
Sudan Republic	Sudan £	(A) 0.8374
Surinam	S. Guilder	3.7026
Swaziland (S)	Lilangeni	1.7550
Sweden	S. Krona	9.095
Switzerland	Swiss Franc	3.5575
Syria	Syria £	(A) 8.119
Taiwan	New Taiwan	(P) 74.468
Tanzania (S)	Tan. Shilling	17.00
Thailand	Baht	41.8175 (sg)
Togo Republic	C.F.A. Franc	451¾
Tonga Islands (S)	Pa'anga	1.8720
Trinidad (S)	Trinidad & Tob' $	4.9644
Tunisia	Tunisian Dinar	0.845 (sg)
Turkey	Turkish Lira	50.10
Turks & Caicos	U.S. $	2.0685
Tuvalu	Australian $	1.8685
Uganda (S)	Uganda Shilling	n.a.
United States	U.S. Dollar	2.0685
Uruguay	Uruguay Peso	(cm) 15.58
		(fn) 15.58
Utd. Arab Emirates	U.A.E. Dirham	7.94
U.S.S.R.	Rouble	1.39
Upper Volta	C.F.A. Franc	451¾
Vatican	Italian Lire	1749
Venezuela	Bolivar	8.88
Vietnam	Dong	(O) 4.5093
		(T) 4.070 (!)
Virgin Islands U.S.	U.S. Dollar	2.0685
Western Samoa (S)	Samoan Tala	1.5000
Yemen	Ryal	9.35 (sg)
Yugoslavia	New Y Dinar	39.1817
Zaire Republic	Zaire	3.4771
Zambia	Kwacha	1.65

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 85.877. Based on gross rates against Russian rouble. ** Rate is the Transfer market (controlled). †† Rate is now based on 2 Barbados £ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

Companies and Markets

CURRENCIES, MONEY AND GOLD

THE POUND SPOT AND FORWARD

April 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0655-2.0720	2.0680-2.0690	0.25-0.15c pm	1.16	0.85-0.75 pm	1.55
Canada	2.3565-2.3635	2.3620-2.3630	0.27-0.17c pm	1.12	0.75-0.65 pm	1.19
Nethlnd.	4.24½-4.27½	4.25¼-4.26¼	2⅛-1⅞c pm	4.93	5⅞-4⅞ pm	4.70
Belgium	62.25-62.55	62.30-62.40	30-20c pm	4.81	70-60 pm	4.17
Denmark	10.93-10.98	10.93½-10.94½	3⅛-1⅞ ore pm	2.47	5⅞-3⅞ pm	1.74
Ireland	1.0245-1.0300	1.0253-1.0263	0.15-0.25p dis	−2.33	0.50-0.60dis	−2.53
W. Ger.	3.92½-3.95½	3.92¾-3.93¾	2⅛-1⅞pf pm	6.87	6⅞-5⅞ pm	6.48
Portugal	101.10-101.90	101.30-101.60	50-110c dis	−9.46	140-240 dis	−7.49
Spain	140.70-141.10	140.75-140.85	30-90c dis	−5.11	90-170 dis	−3.68
Italy	1,748-1,752	1,748½-1,749½	½lire pm-1½l dis	−0.34	1¾ pm-½ dis	0.17
Norway	10.64½-10.69½	10.64¾-10.65¾	3⅛-1⅞ ore pm	2.53	8⅞-6⅞ pm	2.72
France	9.02½-9.06½	9.03-9.04	3½-2½c pm	4.32	9⅞-8⅞ pm	4.10
Sweden	9.08½-9.12½	9.09-9.10	2½-½ ore pm	1.65	7-5 pm	2.64
Japan	448-455	451-452	2.75-2.45y pm	6.91	7.50-7.20 pm	6.51
Austria	28.80-28.95	28.82-28.87	20-10 gro pm	6.24	50-40 pm	6.24
Switz.	3.55-3.58	3.55¾-3.56¾	3½-2½c pm	10.12	9⅞-8⅞ pm	10.40

Belgium rate is for convertible francs. Financial franc 63.40-63.50. Six-month forward dollar 1.35-1.25c pm; 12-month 2.13-2.03c pm.

THE DOLLAR SPOT AND FORWARD

April 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0655-2.0720	2.0680-2.0690	0.25-0.15c pm	1.16	0.87-0.75 pm	1.56
Ireland†	2.0110-2.0140	2.0110-2.0140	0.65-0.50c pm	3.43	2.00-1.75 pm	3.73
Canada†	87.50-87.65	87.50-87.54	0.02c-par.	0.14	0.10-0.07 pm	0.39
Nethlnd.	2.0565-2.0615	2.0585-2.0585	0.76-0.65c pm	4.08	1.75-1.65 pm	3.11
Belgium	30.10½-30.17	30.10½-30.12	9-8c pm	3.39	23-21 pm	2.92
Denmark	5.2885-5.3010	5.2885-5.2910	0.90-0.40 ore pm	1.47	0.65-0.15 pm	0.02
W. Ger.	1.8970-1.9065	1.8990-1.9000	0.92-0.82pf pm	5.50	2.42-2.32 pm	4.99
Portugal	48.95-49.06	48.96-49.06	40-60c dis	−12.24	100-165dis	−10.81
Spain	67.96-68.11	67.96-68.01	30-40c dis	−6.18	75-85 dis	−4.71
Italy	845.5-846.50	845.5-846.0	0.70-1.10 lire dis	−0.13	2.40-2.90dis	−0.12
Norway	5.1518-5.1572	5.1518-5.1528	0.80-0.30 ore pm	1.28	1.60-1.10 pm	1.05
France	4.3665-4.3730	4.3665-4.3690	1.23-1.13c pm	3.24	2.80-2.60 pm	2.47
Sweden	4.3958-4.4023	4.3958-4.3968	0.60-0.40 ore pm	1.36	1.60-1.40 pm	1.36
Japan	217.20-218.90	218.10-218.30	1.07-0.97y pm	5.61	2.75-2.65 pm	4.95
Austria	13.94-13.96½	13.94-13.94½	7.00-6.25 gro pm	5.70	18.0-16.0 pm	4.88
Switz.	1.7170-1.7260	1.7190-1.7200	1.37-1.27c pm	9.21	3.95-3.85 pm	9.07

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.616371	0.643808
U.S. $	9½	1.27595	1.33300
Canadian $	11¼	1.45624	1.52176
Austria Sch.	3¾	17.7995	18.5887
Belgian F	6	38.4538	40.1501
Danish K	8	6.75488	7.05759
D mark	4	2.42456	2.53271
Guilder	6½	2.62465	2.74066
French Fr	9½	5.56442	5.81523
Lira	10½	1079.45	1127.99
Yen	4¼	276.562	290.728
Nrwgn. K	7	6.58007	6.87830
Spanish Pes	8	86.9790	91.0509
Swedish Kr	6½	5.60971	5.86295
Swiss Fr	1	2.19541	2.29330

CURRENCY MOVEMENTS

Apr. 20	Bank of England Index	Morgan Guaranty changes %
Sterling	66.9	−37.5
U.S. dollar	86.0	−8.0
Canadian dollar	83.0	−14.7
Austrian schilling	145.3	+18.8
Belgian franc	113.7	+13.9
Danish kroner	116.9	+6.0
Deutsche Mark	149.2	+40.9
Swiss franc	193.4	+80.1
Guilder	124.1	+19.7
French franc	98.7	−6.7
Lira	54.7	−48.8
Yen	133.0	+31.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 23	£	$		£ Note Rates
Argentina Peso	2455-2475	1187-1197	Austria	28¼-29⅛
Australia Dollar	1.8655-1.8715	0.9020-0.9050	Belgium	62¾-63¾
Brazil Cruzeiro	48.54-49.54	23.45-23.95	Denmark	10.90-11.00
Finland Markka	8.28-8.29	4.0030-4.0075	France	8.97-9.07
Greek Drachma	—	—	Germany	3.87-3.97
Hong Kong Dollar	10.66½-10.71	5.1560-5.1775	Italy	1,725-1,765
Iran Rial	144-159	72-76	Japan	450-460
Kuwait Dinar (KD)	0.570-0.580	0.2781-0.2782	Netherlands	4.20-4.30
Luxembourg Frc.	62.30-62.40	30.12-30.14	Norway	10.60-10.70
Malaysia Dollar	4.5890-4.5990	2.2185-2.2235	Portugal	97-102
New Zealand Dlr.	1.9700-1.9780	0.9525-0.9565	Spain	140-145
Saudi Arab. Riyal	6.97-7.07	3.3805-3.3807	Switzerland	3.50-3.60
Singapore Dollar	4.5465-4.5565	2.1980-2.2030	United States	2.0650-2.0750
Sth. African Rand	1.75-1.76	0.8460-0.8510	Yugoslavia	42¼-44½

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Apr. 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.069	3.935	451.5	9.035	3.558	4.258	1749.	2.363	62.35
U.S. Dollar	0.483	1.	1.901	218.2	4.368	1.720	2.058	845.5	1.142	30.14
Deutschemark	0.254	0.526	1.	114.8	2.298	0.905	1.083	444.8	0.601	15.86
Japanese Yen 1,000	2.215	4.581	8.710	1000.	20.01	7.879	9.450	3874.	5.235	138.1
French Franc 10	1.107	2.289	4.353	499.7	10.	3.937	4.712	1936.	2.615	69.01
Swiss Franc	0.281	0.581	1.105	126.9	2.540	1.	1.197	491.6	0.664	17.53
Dutch Guilder	0.235	0.486	0.924	106.0	2.122	0.836	1.	410.8	0.555	14.64
Italian Lira 1,000	0.572	1.183	2.248	258.1	5.166	2.034	2.434	1000.	1.351	35.65
Canadian Dollar	0.423	0.876	1.665	191.1	3.824	1.506	1.802	740.3	1.	26.39
Belgian Franc 100	1.604	3.318	6.307	724.1	14.49	5.706	6.828	2805.	3.789	100.

EURO-CURRENCY INTEREST RATES

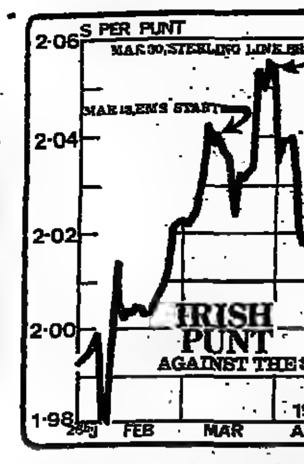
The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.30-10.40 per cent; six months 10.55-10.60 per cent; one year 10.35-10.45 per cent.

Apr. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	12⅛-12¼	10-10¼	9⅛-10⅛	6¼-6⅛	1⅛-1⅛	5⅛-5⅜	7⅛-7⅜	8⅛-10⅛	—	par-5⅛
7 day's notice	12⅛-12¼	10⅛-10⅜	9¼-10⅛	6¼-6⅛	1⅝-1⅞	5⅛-5⅜	7⅛-7⅜	10¼-11⅛	10¼-10⅜	3⅛-4⅞
Month	12-12⅛	10¾-11	10⅞-11⅛	6⅝-6⅞	1⅛-1⅞	5⅞-⅞	7⅜-7⅝	11-12	10⅞-11	4⅞-5⅛
Three months	11⅞-11⅞	10⅞-10⅞	10⅞-11⅞	7-7¼	1⅝-1⅛	5⅝-5⅞	7⅞-8⅛	11⅛-12⅛	10⅞-10⅞	5⅞-5⅞
Six months	11½-11⅝	10⅝-10⅞	10½-10⅞	7¼-7⅛	2⅛-2¼	5¾-6⅞	8½-8¾	12-13	10⅞-10⅞	5⅞-6⅞
One year	11⅞-11⅝	10⅞-10⅞	10⅞-10⅞	7⅛-7¾	2⅞-2⅞	6-6⅛	9⅛-9⅜	12¼-13¼	10⅝-10¾	6⅛-6⅞

Long-term Eurodollar deposits: Two years 10⅞-10⅞ per cent; three years 10⅞-10⅞ per cent; four years 10⅞-10⅞ per cent; five years 10-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

Pound steady

STERLING showed little change against other major currencies in yesterday's foreign exchange market as pre-election nervousness began to make itself felt. On a trade weighted basis, its index eased slightly to 66.9 at the close from 67.0 on Friday, although it was firmer at noon and in the morning at 67.1. Against the dollar it opened at $2.0710-2.0720, its best level for the day, but quickly eased to $2.0685 before recovering to $2.0710. However, demand for the dollar soon brought down the rate to $2.0655, with most of the day's trading thereafter in the region of $2.0700. By the close, sterling had fallen back slightly to $2.0680-2.0690, but still showed a 10 point gain over Friday's close.



The dollar finished slightly below Friday's closing rates having moved erratically during the day. However spreads for the day still tended to be narrow. In terms of the D-mark it closed at DM1.9000 from DM1.9025 previously and SwFr 1.7190 from SwFr 1.7225 against the Swiss franc. The dollar/yen rate was almost unchanged at Y218.20 against Y218.30. On Bank of England figures, the dollar's trade weighted index fell from 86.1 to 86.0.

The Canadian dollar lost ground against the U.S. dollar, after intervention by the Canadian authorities in an attempt to hold down the rate. The Canadian unit finished at 87.54½ U.S. cents compared with 87.75½ U.S. cents on Friday.

The Irish punt eased to $2.0125 from $2.0170 in terms of the dollar, and declined against currencies within the EMS. Against the D-mark, it fell to DM 3.8225 from DM 3.8385, and FFr 8.7900 from FFr 8.8205 against the French franc. In terms of the guilder it fell to Fl 4.1410 from Fl 4.1530, with the Belgian franc at BFr 60.6015 compared with BFr 60.8580. The punt was quoted at L1,703 against the lira, down from L1,707, while in terms of the Danish krone it fell to DKr 10.6445 from DKr 10.6925.

The lira remained the strongest currency within the EMS and showed a slightly firmer tendency from Friday. The Belgian franc continued as the weakest currency but was quoted above its floor level against the Danish krone.

Frankfurt—There was no intervention by the Bundesbank when the dollar was fixed at DM 1.9019 (DM 1.9002). Trading remained extremely quiet with little to influence the market.

Milan—The lira showed a slightly weaker tendency against the dollar, but improved against EMS currencies and the Swiss franc. The dollar was fixed at L846.55 compared with L845.95 on Friday while the D-mark eased to L445.1 from L445.25. Trading was at a generally low level throughout.

Tokyo—The dollar continued to improve over the Japanese yen, although it finished below its best level and lower than Friday's New York level of Y218.70. After touching Y219.40, the U.S. unit eased back to close at Y218.625 compared with Y216.775 on Friday. The easing from its best level was partly prompted by support for the yen given by the Bank of Japan.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.1563	+1.77	+1.27	±1.53
Danish Krone	7.08592	7.05723	−0.40	−0.90	±1.635
German D-mark	2.51064	2.53208	+0.85	+0.36	±1.1325
French Franc	5.79831	5.82088	+0.39	−0.11	±1.35
Dutch Guilder	2.72077	2.74300	+0.82	+0.32	±1.5075
Irish Punt	0.662638	0.661477	−0.18	−0.67	±1.665
Italian Lira	1148.15	1127.36	−1.81	−1.81	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

INTERNATIONAL MONEY MARKET

Singapore prime rates up

Two of the big four Singapore banks have increased their prime rates from today. The state-owned Development Bank of Singapore, and the Overseas Union Bank raised their rates by ½ per cent to 8 per cent. During February and the early part of March all the major banks pushed up their prime rates to 7¾ per cent from 7½ per cent. The Development Bank also lifted its prime rate by ¼ per cent to 7½ per cent on January 8 as part of the upward trend in Singapore interest rates.

The state owned bank has also raised the rates on one-month deposits by ½ per cent to 5¾ per cent; three-month to 6 per cent, and six-month to 6¼ per cent.

Bangkok Bank raised its prime rate by ½ per cent to 8¼ per cent from last Friday, and Barclays Bank International increased its rate by ½ per cent to 8¼ per cent.

PARIS—Day-to-day money fell to 6¾ per cent from 7⅛ per cent. One-month was quoted at 6¾-6⅞ per cent; three-month at 6⅞-7⅛ per cent; six-month at 7⅛-7⅜ per cent; and 12-month at 7⅝-7⅞ per cent.

FRANKFURT — Call money rose to 5.20-5.30 per cent from 5.10-5.20 per cent; while one-month was quoted at 5.30-5.50 per cent compared with 5.40-5.50 per cent; three-month at 5.50-5.70 per cent compared with 5.55-5.65 per cent; and six-month at 5.65-5.85 per cent compared with 5.70-5.80 per cent; 12-month money rose to 6.00-6.10 per cent from 5.90-6.00 per cent.

BRUSSELS—Call money rose to 4.95 per cent from 4.00 per cent. One-month was unchanged at 7¼-7½ per cent, while three-month was quoted at 7¾-8 per cent compared with 7⅝-7⅞ per cent, and six-month at 8¼-8½ per cent compared with 8¼-8½ per cent, 12-month funds were unchanged at 8¼-8⅝ per cent.

AMSTERDAM — Call money eased to 6⅝-6⅞ per cent from 6⅞-7⅛ per cent, while one-month was unchanged at 7-7¼ per cent. Three-month funds rose to 7⅛-7⅝ per cent from 7⅛-7½ per cent, and six-month was unchanged at 7⅜-7⅝ per cent.

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day-to-day credit was in very short supply in the London money market yesterday, mainly because of repayment to the Bank of England of about £400m special deposits, and repurchase of gilt-edged stock. The market was also faced with the repayment of a moderate amount lent by the authorities on Friday, and these factors outweighed a fairly large excess of Government disbursements over revenue payments to the Exchequer, a small decline in the note circulation, and moderate surplus balances brought forward by the banks.

Discount houses paid up to 12 per cent for secured call loans at the start, and closing balances were taken at 11-11¾ per cent.

In the interbank market overnight loans opened at 12⅛-12⅜ per cent, and touched 12¼-12½ per cent, before easing to 8 per cent, rising again to 12 per cent, and closing at 8 per cent.

The authorities gave assistance by buying a moderate amount of Treasury bills from the discount houses, a small number of local authority bills, and a large quantity of eligible bank bills, for resale to the market at a fixed future date. A moderate amount was also lent to one or two houses, overnight at Minimum Lending Rate of 12 per cent, and the total amount of help was exceptionally large.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 23 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	8-12½	—	—	—	12¼	11-12	—	—	—
2 days notice	—	—	12-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12-12⅜	12⅛-12¼	—	12⅛	12½	11½-11⅞	—	—	—
One month	12-11⅞	12-12⅛	12⅛-12⅜	12-12⅜	12⅛	12⅜	11¾	11¼-11⅜	12	12¼
Two months	11⅞-11¾	11⅞-12	—	11⅝ 12	12⅛	—	11⅛-11⅝	11⅝-11⅞	11¾	12⅛
Three months	11⅞-11⅞	11⅞-11⅞	11¾-12	11¼-11⅝	12¼	12¼	11⅛-11⅞	11⅞-11⅞	11½-11⅝	12
Six months	11⅞-11½	11½-11⅝	11⅝-11⅞	10⅝-11	11⅞	—	—	—	10⅞-10⅞	11¾
Nine months	11⅞-11½	11⅞-11½	—	11⅛-11⅝	11¾	—	—	—	—	—
One year	11⅞-10⅞	11⅞-11⅝	11-11⅛	10⅞-11¼	11⅝	—	—	—	—	—
Two years	—	—	11¼-11⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 11⅝-11¾ per cent; four years 11¾-11⅞ per cent; five years 11⅞-12 per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞-11⅞ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11⅞-11⅞ per cent; two-month 11⅞-11⅞ per cent; three-month 11⅞ per cent. Approximate selling rate for one-month bank bills 11⅞-11⅞ per cent; two-month 11⅞-11⅞ per cent; and three-month 11½-11⅞ per cent; one-month trade bills 12¼ per cent; two-month 12 per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.4425 per cent.

GOLD

Little change

Gold rose by just $½ an ounce in the London bullion market yesterday to close at $236¼-237. Trading remained subdued for most of the day with most business seen between $236½ and $237. The Krugerrand's premium over its gold content narrowed to 8.82 per cent from 9.58 per cent for domestic delivery but widened from 3.23 per cent to 3.33 per cent internationally.

In Paris the 12½ kilo bar was fixed at FFr 33,900 per kilo ($241.14 per ounce) compared with FFr 33,895 ($241.17) in the morning and FFr 33,900 ($241.77) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,520 per kilo ($237.22 per ounce) against DM 14,495 ($237.23) previously.

	Apr. 23	Apr. 20
Gold Bullion (fine ounce)		
Close	$236¼-237 (£114.2-114.6)	$235¾-236½ (£114.1-114.4)
Opening	$236½-237¼ (£114.2-14.5)	$237¾-238½ (£114.5-114.9)
Morning fixing	$236.75 (£114.394)	$237.80 (£114.851)
Afternoon fixing	$236.85 (£114.481)	$236.40 (£114.230)
Gold Coins, domestically		
Krugerrand	$255½-259½ (£123½-125½)	$256¾-260¾ (£124¼-126¼)
New Sovereigns	$64½-66½ (£31¼-32¼)	$65-67 (£31½-32½)
Old Sovereigns	$76-78 (£36¾-37¾)	$75¾-77¾ (£36½-37½)
Gold Coins, internationally		
Krugerrand	$243½-245½ (£117½-118½)	$242¾-244¾ (£117½-118½)
New Sovereigns	$61½-63½ (£29½-30½)	$61¼-63¼ (£29½-30½)
Old Sovereigns	$76-78 (£36½-37½)	$75¾-77¾ (£36½-37½)
$20 Eagles	$347-352	$350-355
$10 Eagles	$186-191	$187-192
$5 Eagles	$126-131	$127-132

MONEY RATES

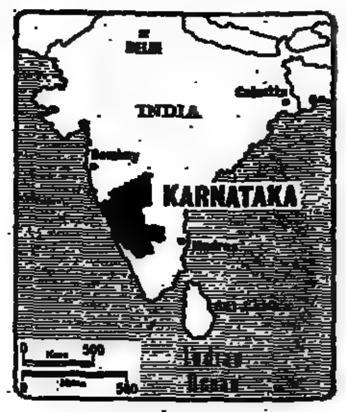
NEW YORK	
Prime Rate	11.25-11.75
Fed Funds	10.125
Treasury Bills (13-week)	9.25
Treasury Bills (26-week)	9.34
GERMANY	
Discount Rate	4
Overnight Rate	5.25
One month	5.40
Three months	5.60
Six months	5.75
FRANCE	
Discount Rate	9.5
Overnight Rate	6.75
One month	6.8125
Three months	7
Six months	7.3125
JAPAN	
Discount Rate	4.25
Call (Unconditional)	5.125
Bills Discount (three-mth.)	5.625

هكذا من الأرشيف

International group backs Indian newsprint mill

BY GEOFFREY OWEN

AN UNUSUAL combination of an Indian state government, Indian private investors, American banks, British machinery suppliers and Finnish technical experts is in the final stage of constructing India's largest and most modern newsprint mill. It is being built at Bhadravati in the southern state of Karnataka (formerly Mysore) by Mysore Paper Mills, which is what the Indians call a "mixed" enterprise, that is, one jointly owned by the State Government and by private investors. Part of the money needed for the project—which is due to be completed by the end of March 1980—is being raised from Indians resident overseas; the company will be making presentations to potential investors in the U.S. and Europe.



Newsprint has always been regarded as a core sector in India's industrialisation programme, but it has not attracted adequate funds either from state or private sources largely because of the very substantial capital investment involved. There is a small newsprint mill in Madhya Pradesh, owned by the central Government, but the bulk of the market is supplied by imports. The Mysore project and another new mill being built in the neighbouring State of Kerala are designed to correct this situation. Unlike some of India's import-saving projects, moreover, the Mysore mill is firmly based on the availability of local raw materials. The sponsors are confident that costs will be internationally competitive.

Enlightened

Mysore Paper Mills started operations in 1937 with a capacity of 4,000 tonnes a year of printing and writing papers. It was regarded as an example of the enlightened approach to state industrial planning which had been pioneered by the Maharajah of Mysore in the early years of the century; it provided local employment and made good use of the forest resources (mainly bamboo) of the Shimoga region. At the start the State government held 10 per cent of the equity and was closely involved in the management of the company; it has continued to nominate three of the nine members of the Board including the chairman and managing director.

After the war the capacity of the mill was raised in stages to the present level of 26,000 tonnes a year, but the big change in the character of the company came in 1975, when it was invited by the Indian Government to consider starting newsprint manufacture. A few years earlier a private sector group had acquired a substantial shareholding in the company and the proposed newsprint venture became the subject of disagreement between this group (which opposed it) and the other shareholders. The private group was out-voted and its shares were subsequently acquired by the State government, which now holds 56.2 per cent of the equity.

The rest of the shares are spread widely among small investors and there appears to be a high level of shareholder interest in the company's affairs; at the last annual general meeting more than 1,800 shareholders attended. Mysore Paper Mills has made steady progress over the last few years except 1975-76, a bad year for the paper industry, when its profits dropped to Rs 0.53m (£31,600). It has maintained a regular 10 per cent dividend.

During 1976 a plan was worked out, and approved by the central Government, for installing new facilities which would produce 75,000 tonnes of newsprint a year and increase output of printing and writing paper from 24,000 tonnes to 37,000 tonnes a year. The hope is that when the mill is going at full blast it will be turning out a total of around 130,000 tonnes of paper a year.

The total cost is estimated at Rs 1,000m (about £59m). As in most projects of this type, a major financing role is being played by the Government-owned term lending institutions. The "apex" body, the Industrial Development Bank of India, is providing a loan of Rs 160m (£9.5m), while a further amount of Rs 160m is coming from the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India and the Life Insurance Corporation.

The company wanted to involve foreign commercial banks in the project, to cover part of the rupee cost as well as the foreign exchange component. The quickest to respond was Chemical Bank of New York; after conducting its own evaluation of the project it agreed to lead a consortium which would provide a loan of $35m for the new mill. The loan agreement was signed in London last June. The interest rate is 1 per cent above LIBOR (London interbank offered rate) with a repayment moratorium of 42 months.

A rights issue will raise another Rs 60m from existing shareholders. The company intends to issue convertible bonds to various categories of potential Indian investors and raise another Rs 90m by a combination of rights issue, special issue to Government of Karnataka and another special issue to Indian residents outside the country. All these issues will rank pari passu for sharing of profits and voting rights. The new investors will be invited to subscribe not less than $2,000 each and not more than $5,000.

In planning the project the company has been concerned both to keep the construction period as short as possible and to invest in the most modern technology available. There is, of course, considerable Indian expertise both in the handling of major projects and in producing the hardware, but the management decided to supplement this by bringing in one of the world's leading pulp and paper consultants, Jaakko Poyry of Finland, to help in co-ordinating what was bound to be a very complex undertaking; this company will provide services in process engineering, project monitoring and forestry planning and management.

The two main imported items of plant are the newsprint machine, which has been built in the UK by Beloit Walmsley, and the pulping system, supplied by Bauer in the U.S. The newsprint machine, with a width of 7.1 metres and a speed of about 680 metres per minute, will be the largest and fastest paper machine so far installed in India. On the pulp side, Mysore will be using — also for the first time in India — the cold soda refiner mechanical pulping process, which provides a much higher yield than conventional processes.

Future plans

The total value of the imported machinery will be about Rs 200m, representing about 20 per cent of the total project cost, and the foreign exchange savings when the plant is fully operational are expected to be about Rs 320m a year. Apart from the newsprint machine and the pulping system, virtually all the rest of the plant is being built in India. A major supplier is Bharat Heavy Electricals, the big government-owned company, which is making the complete power system, including boilers and turbo-generators, while Jessop in Calcutta, a licensee of Beloit Walmsley, is making the stock preparation system. The construction period is about 30 months.

Apart from the Kudremukh iron ore project (whose future is now in some doubt since its main customer was to have been Iran), the Mysore project is the biggest new industrial undertaking in the state of Karnataka. A further investment, for which the company has already received the necessary industrial licence from New Delhi, is to construct a sugar mill on the same site. There is a considerable quantity of sugar cane being grown in the area and the idea is that the sugar mill would use the same utilities—power, steam and maintenance—as the pulp and paper mill; the pulp mill would also use bagasse, the residue from sugar cane, as part of its furnish, although the main wood will be eucalyptus. A sugar mill with an eventual crushing capacity of 10,000 tonnes per day is envisaged and the cost is thought to be around 50-60 per cent of the cost of a conventional mill.

The management of Mysore Paper Mills hopes that if these projects are successful, the company can build on its experience to advise on similar ventures—and participate in them—in other parts of India and in other developing countries.

NORTH AMERICAN NEWS

Overseas earnings boost for Exxon

BY STEWART FLEMING IN NEW YORK

BENEFITTING FROM sharply improved profitability in several overseas markets and a $100m turnround in the impact of foreign exchange translations on its profit and loss account, Exxon, the largest U.S. oil company, yesterday reported a 37 per cent rise in first quarter profits.

The Exxon statement tends to confirm expectations that several of the major oil companies will be reporting sharply improved profits in the first quarter. Exxon's earnings for the quarter rose from $695m in the first quarter of 1978 to $955m or $2.16 a share.

The company's share price, which has been firm in recent months, rose a further ⅛ to $52⅜ on the news.

The oil industry is concerned about the public response to this quarter's profits announcements because of the prospective political impact of public attitudes towards the industry on such issues as the proposed oil windfall profits tax. Already there have been signs that public opinion is critical of the improving profitability of the oil industry at a time of sharply rising oil prices.

In its comments on the first quarter outcome Exxon stressed the impact on its earnings of the $100m of foreign currency translation gains and also pointed out that, compared with the first quarter of 1978, the improved earnings came from foreign operations.

In comparison with the fourth quarter of 1978, when earnings rose 48 per cent, Exxon said that operating earnings in the 1979 first quarter were down 1.1 per cent.

The improvement over the first quarter of 1978, the company added, amounted to a rise of 19.9 per cent in operating earnings, which was entirely due to better results from foreign petroleum and natural gas operations and from worldwide chemical operations.

Commenting in greater detail on the results, Mr. C. C. Garvin, the chairman, said that earnings from total U.S. petroleum and natural gas operations fell 5 per cent to $348m compared with the first quarter of 1978, and earnings from exploration and production at $310m were essentially flat.

Refining and marketing earnings in the U.S. also fell, from $59m to $38m.

In contrast, foreign exploration and production earnings increased by 10 per cent to $411m, partly reflecting higher production of North Sea oil but also because of higher sales volumes in Europe as a result of the exceptionally cold winter.

Refining and marketing profits abroad rose to $197m from $92m in the first quarter of 1979. Mr. Garvin pointed out that the firming of selling prices in Europe, which began last summer, continued to contribute to significant earnings improvements.

Earnings from worldwide chemical operations increased 61 per cent to $90m reflecting stronger demand in the U.S. and abroad, together with improving profit margins on some product lines in foreign markets.

● Imperial Oil, controlled by Exxon, and Canada's largest integrated oil company, earned C$89m, or 68 cents a share in the first quarter of 1979, Robert Gibbens writes from Montreal. This compares with C$72m or 55 cents a year earlier. Revenues were C$1.5bn, against C$1.2bn.

American Brands profits up sharply

NEW YORK—A rise in net earnings of 25 per cent is reported for the first quarter by American Brands, the cigarettes, toiletries and engineering group. This increase, backed up by a 42 per cent jump to $160.5m in operating profits, followed an improvement in sales for the quarter from $1.26bn to $1.42bn.

Of the sharply increased operating income, domestic tobacco operations contributed some $68.9m, a rise of 22 per cent on last year.

The board commented that during the period, corporate taxes increased by 50 per cent to $26.6m.

There was an increase in unit cigarette volume in the quarter, with the group's Carlton brand continuing to turn in a strong rate of increase.

In the UK, the group's subsidiary, Gallaher pushed operating income ahead by 57 per cent to a total of $35.5m.
Agencies

Abitibi Paper earns more

By Robert Gibbens in Montreal

ABITIBI PAPER, the world's largest newsprint producer, reports operating net earnings for the first quarter of C$22m or C$1.06 a share, compared with C$14.8m or 74 cents a year earlier.

Sales were C$354m, against C$289m. The company said earnings were reduced by about 10 cents a share by a five week shutdown at an Ontario pulp plant.

UCA win $35bn Saudi insurance deal

By John Moore

INSURANCE FOR the construction of $35bn (£16.9bn) of public facilities in the newly developing Saudi Arabia cities of Jubail and Yanbu is to be arranged by United Commercial Agencies (UCA) and Alexander and Alexander Incorporated, one of the largest insurance brokers in the U.S.

United Commercial Agencies, under the chairmanship of Dr. Ghaith Pharaon, and Alexander and Alexander are to develop, implement and administer insurance and risk management programmes covering the new infrastructure in a joint venture arrangement.

The insurance contract is for five years, and subject to renegotiation for an additional five years.

Fees for the joint venture arrangement over the five-year contract are expected to total about $10m (£4.8m).

United Commercial Agencies has many insurance interests. It formed the Insurance Pool for the Middle East, which includes not only international insurance companies but also insurance companies owned and controlled by the United Commercial Agencies group.

It also has insurance interests in the Far East.

Good start to year at Tenneco

BY OUR FINANCIAL STAFF

TENNECO, the Houston-based diversified energy company, has achieved a 13 per cent increase to $125m or $1.19 per share in net income in the first quarter, up from $110m or $1.10 per share. Revenue rose to $2.5bn from $2.04bn.

The strong performance appears to be rooted in the company's continuing success in raising domestic oil and gas production. The same factors ensured that the company set records last year in operating revenue, net income and earnings per share.

Tenneco's oil production increased last year by 18 per cent compared with an industry decline of 5 per cent. Gas production went up by 36 per cent against an industry decrease of about 13 per cent.

There was some indication in the first quarter results, however, of narrowing margins. Fixed costs have been rising rapidly, and operating income increased last year by just under 3 per cent.

President Carter's proposed de-control of energy prices earlier this year is expected to lead to price rises, which should help to improve Tenneco's margins. While the company's rivals are busily diversifying into non-energy fields as a hedge against the economic and regulatory risks of the oil and gas business, Tenneco has already successfully diversified and is thus in a strong position. Some of these interests—including the shipbuilding division—are doing badly, but the success of the chemical operations (which increased earnings last year by 27 per cent) and the construction subsidiary have allowed the company to step up its energy output considerably.

Avon's margins under pressure

BY OUR FINANCIAL STAFF

AVON PRODUCTS, the cosmetics and costume jewellery company, reports a 21 per cent increase in first quarter earnings but inflation bit into margins. The pre-tax net was up by only 15 per cent to $74.3m.

The main squeeze on margins came in the domestic market. Avon said in the first quarter its U.S. sales were up 13 per cent from a year earlier due to an increase in the number of active representatives and higher average representative orders.

But because of a "less favourable product mix" than a year ago and inflationary cost pressures, margins were reduced. Post tax net earnings, however, were boosted by lower U.S. taxes in the period.

The company said the total first quarter percentage sales gain was its best in eight years and the international sales increase of 32 per cent the highest for any quarter since 1967.

Avon said overseas representatives and orders also rose and the average number of customers served by each representative increased throughout most of its worldwide operations.

WUI-Xerox link

WUI Incorporated and Xerox Corporation have announced that if their proposed merger is effected WUI shareholders will receive 0.64864 of a share of Xerox common stock for each share of WUI common, reports AP-DJ from New York.

هكذا من الأصل

INTERNATIONAL CAPITAL MARKETS

Manufacturers Hanover to issue $100m floater

BY FRANCIS GHILES

MANUFACTURERS Hanover Overseas Capital Corporation is to float $100m in the form of floating rate notes for 15 years on the Eurobond market.

The borrower will pay a coupon of ¼ per cent over the three-month Eurodollar Interbank Rate (Libor) for the first seven years, rising to ⅜ per cent for the remainder of the life of the notes. These will be convertible on every interest payment date, that is May and November, starting immediately, into 8 per cent fixed interest guaranteed debentures of Manufacturers Hanover Corporation.

Lead manager of this FRN issue is Manufacturer Hanover Ltd., with a management group which includes Banque Nationale de Paris, Crédit Suisse, First Boston and Deutsche Bank.

Concurrent with this Eurobond offering, the Manufacturers Hanover Corporation is arranging a 30-year $150m issue in the U.S. domestic market. These bonds will have an average life of 21 years.

The syndicate arranging the U.S. domestic bond includes those investment houses which traditionally handle bonds for this borrower—Goldman Sachs, Merrill Lynch and Salomon Brothers— and Blyth Eastman Dillon, whose idea this bond issue was. This is believed to be the first time a joint Eurobond and U.S. domestic bond is being arranged. The FRN should be attractive to investors for two reasons: first of all, the borrower is of the highest quality, and such paper has scarcity value; second, the return to the investor is closely tied to interest rate movements. The 8 per cent interest offered if the investor were to convert his floating rate notes into debentures represents the equivalent of a minimum coupon. Recent minimum coupons on FRNs for less high quality borrowers have been below 8 per cent.

For the borrower, the advantage of the manner in which the joint bond issue is structured lies in the flexibility it gives the bank in the use of the funds.

In the secondary market, trading in dollar-denominated bonds was very thin. The picture was much the same in the Deutsche Mark sector, though some prices did weaken.

The German capital markets sub-committee meeting next Thursday will have to make a difficult decision concerning the volume of new Deutsche Mark issues for the month of May. Deutsche Mark bonds are not attracting strong investor interest at present, with few exceptions. Even when priced according to market expectations, new issues move very slowly. The explanation is simple; investors do not see the German currency moving up at all over the next month or so.

Many German bankers would like to see the calendar reduced from the level of new issues for April, that is a maximum of DM770m. Some would like to see it closed altogether for a few weeks.

Such an outcome of the sub-committee meeting is thought to be unlikely, not least because it would not agree with the attitude of the Bundesbank representative, who would wish to see market forces work freely. The ideal outcome for most bankers would be a reduction in the volume of new issue, say to between DM300m-DM400m, with a week between each new issue to allow proper placement of the bonds.

Eletrobras raises $400m loan

BY OUR EUROMARKETS STAFF

CENTRAIS Electricas Brasileiras (Electrobras), the Brazilian energy company, has raised Eurocurrency credits totalling $400m among an international banking consortium headed by Deutsche Genossenschaftsbank.

The credits represent the largest unconditional loans package yet raised by Eletrobras on the Euromarkets.

The funds will be used over the next several years to finance the expansion of the company's hydroelectric generating capacity. Eletrobras currently supplies 40 per cent of Brazil's electrical energy.

The loans, which are guaranteed by the Federative Republic, comprise mainly a $360m tranche with a maturity of 12 years. Margins are 7/8 per cent over Interbank rates for the first six year, 1 per cent for the next three years and 1⅛ per cent for the last three.

A further $40m 15-year tranche carries a spread of 1⅛ per cent throughout.

THE MEXICAN STEEL INDUSTRY

Shaping up to booming demand

BY WILLIAM CHISLETT IN MEXICO CITY

SIDERMEX, the Mexican Government's holding company, which oversees the three state steel mills — Altos Hornos, Sicartsa and Fundidora de Monterrey—is shaping up to meet the fast increasing demands for steel. Output last year from the three mills was 3.7m tonnes, a 23 per cent increase over 1977. This year, production is forecast at 4.8m tonnes.

Total steel output in Mexico in 1978 was 6.7m tonnes, taking in the contribution from Hylsa, the private, highly-successful mill, based in Monterrey, and also Tubos de Acero de Mexico and several non-integrated mills.

Total output this year is optimistically estimated at 7.8m tonnes, which would mean that the steel industry as a whole would be producing at 86 per cent capacity as against 74 per cent in 1978 and 62 per cent in 1977. Total installed capacity is just over 9m tonnes and national demand about 8.4m tonnes.

Sidermex was formed in 1978 after the public-sector steel mills were reorganised. As Pemex, the state-owned oil monopoly, quickly increased its production and became the pivot of the economy, which grew by 6.6 per cent in 1978, the Government saw the need for greater co-ordination in the steel sector. Also it discerned long-term planning to meet the rising needs of industry, particularly the petroleum industry.

The recently announced National Industrial Development Plan estimates that national demand for steel in 1985 will be 13m tonnes.

Sicartsa, which is located at Lazardo Cardenas on the Pacific coast, had a poor showing in its first year of operations in 1977, with total production a mere 263,128 tonnes, a mere 20 per cent of capacity, and losses of $89m. It received subsidies for operating expenses of 6bn pesos ($272m) in 1977 and 3bn pesos in 1978.

Mexico, with a rapidly expanding economy already reflecting oil prospects, is now developing its steel sector to meet the rising needs of industry

Last year's production was 600,000 tonnes which augurs well for the future. This year, Sicartsa is expected to produce 770,000 tonnes. Full production could then be reached in 1980.

Plagued by teething and labour problems and problems posed by a veritable UN of equipment from 32 different countries, Sicartsa's birth has been painful. However, last year the company reached the break-even point and this year officials estimate that it could make a slight profit.

Sicartsa at the moment only produces non-flats. Later this year, the second stage of Sicartsa's mill, for the production of light plate and hot-rolled sheet and coil, which has been under review for two years, could be commenced. This would increase the installed capacity from the present 1.3m tonnes to 2.7m tonnes at a cost of at least 25bn pesos ($1.1bn).

If the second stage goes ahead, this would enable Mexico to cut its steel import bill substantially. Last year, 458,000 tonnes of steel plate and 338,000 tonnes of large diameter pipe, worth together $665m, were imported because local industry could not meet the demands of Pemex and other industries.

Fundidora de Monterrey, which is 44 per cent Government owned compared to Sicartsa which is 100 per cent and Altos Hornos, 80 per cent, has been another headache for Sidermex.

The Government came to its rescue after the devaluation of the peso in 1976 when Fundidora had an external debt of $360m. The debt was refinanced with a three year grace period.

Then production was severly hit by strikes. During 1977 and 1978, Fundidora lost 109 days of production because of labour disputes. Only now is the third stage of Fundidora's expansion plan, which raised installed capacity to 1.5m tonnes in 197[illegible] bearing fruit. Production ha[s] gone from 700,000 tonnes in 197[illegible] to 960,000 tonnes last year, an[d] losses of $30m in 1977 could b[e] turned into a small profit thi[s] year if production of 1.2[m] tonnes is reached. Further ex[-]pansion plans will raise capacit[y] to 1.8m tonnes.

Fundidora's improved pos[i]tion can be judged from it[s] performance on the Mexica[n] Stock Exchange. In Apri[l] 1978, its shares were quoted [at] 18 pesos each and a year late[r] at 47 pesos.

The success of Altos Horno[s] judged by the same criteri[a] has been even better. I[ts] shares in the same period hav[e] gone from 29 pesos to 1[illegible] pesos.

Altos Hornos was also badl[y] effected by the devaluation. I[ts] losses in 1977 were $10m whe[n] production was 2.2m tonn[es] (capacity 3.2m tonnes). La[st] year production was at th[e] same level but, this yea[r] officials believe that it cou[ld] be boosted to 2.9m tonnes. T[he] capacity of Altos Hornos w[ill] be raised to 4.2m tonnes.

The labour situation in th[e] three mills is much better no[w]. Last year Sidermex agreed [a] package of incentives wi[th] workers whereby increased pr[o]duction is rewarded with bon[us] payments. Last month Siderm[ex] successfully concluded [its] labour contracts and as [a] result expects a trouble fr[ee] year.

AMERICAN QUARTERLIES

ALBANY INTERNATIONAL

First quarter	1979 $	1978 $
Revenue	79.3m	69.5m
Net profits	5.35m	4.55m
Net per share	1.01	0.86

BAUSCHE AND LOMB

First quarter	1979 $	1978 $
Revenue	116.5m	94.8m
Net profits	8.05m	5.35m
Net per share	1.37	0.91

BLACK AND DECKER

Second quarter	1979 $	1978 $
Revenue	298.9m	240.5m
Net profits	24.62m	18.34m
Net per share	0.59	0.44
Six months		
Revenue	605.4m	494.8m
Net profits	48.16m	33.73m
Net per share	1.15	0.81

BRANIFF INTERNATIONAL

First quarter	1979 $	1978 $
Revenue	283.5m	218.1m
Net profits	8.1m	8.9m
Net per share	0.40	0.44

BRUNSWICK

First quarter	1979 $	1978 $
Revenue	325.3m	254.5m
Net profits	16.16m	8.89m
Net per share	0.71	0.44

CARLISLE CORPORATION

First quarter	1979 $	1978 $
Revenue	77.5m	57.9m
Net profits	4.60m	2.74m
Net per share	1.03	0.62

CENTRAL AND SOUTH WEST

First quarter	1979 $	1978 $
Revenue	329.9m	307.1m
Net profits	37.42m	29.39m
Net per share	0.57	0.49

CITY INVESTING COMPANY

First quarter	1979 $	1978 $
Revenue	1.2bn	83[illegible]
Net profits	22.04m	18.12m
Net per share	0.60	0.[illegible]

CLUETT PEABODY

First quarter	1979 $	1978 $
Revenue	147.2m	137.8m
Net profits	3.56m	4.00m
Net per share	0.36	0.40

CRANE

First quarter	1979 $	1978 $
Revenue	313.6m	287.9m
Net profits	8.1m	5.1m
Net per share	0.81	0.49

COMMONWEALTH OIL REFINING

First quarter	1979 $	1978 $
Revenue	236.2m	197.7m
Net profits	13.0m	†12.7m
Net per share	0.76	†0.87

† Loss.

COMMUNICATIONS SATELLITE

First quarter	1979 $	1978 $
Revenue	60.0m	49.1m
Net profits	11.90m	7.75m
Net per share	1.49	0.97

COX BROADCASTING

First quarter	1979 $	1978 $
Revenue	55.8m	46.8m
Net profits	8.37m	5.29m
Net per share	1.40	0.79

DILLINGHAM

First quarter	1979 $	1978 $
Revenue	251.6m	213.5m
Net profits	9.6m	603,000
Net per share	0.64	†0.06

† Loss.

DILLON COMPANIES

Third quarter	1979 $	1978 $
Revenue	440.6m	366.9m
Net profits	3.71m	6.84m
Net per share	0.61	0.64
Nine months		
Revenue	1.32bn	1.07bn
Net profits	26.3m	20.1m
Net per share	2.44	1.87

FIRST CHICAGO CORPORATION

First quarter	1979	1978
Net profits	32.93m	31.06m
Net per share	0.86	0.78

FLORIDA POWER AND LIGHT

First quarter	1979 $	1978 $
Revenue	377.1m	371.9m
Net profits	39.26m	48.67m
Net per share	0.77	1.04

GOULD

First quarter	1979 $	1978 $
Revenue	487.5m	440.1m
Net profits	23.48m	23.41m
Net per share	0.83	0.83

W. W. GRAINGER

First quarter	1979 $	1978 $
Revenue	153.7m	121.7m
Net profits	8.22m	6.40m
Net per share	0.65	0.46

HOLIDAY INNS

First quarter	1979 $	1978 $
Revenue	326.8m	256.7m
Net profits	13.14m	9.92m
Net per share	0.42	0.32

JOHNS-MANVILLE

First quarter	1979 $	1978 $
Revenue	479.3m	344.0m
Net profits	14.11m	25.28m
Net per share	0.66	1.18

JOHNSON CONTROLS

Second quarter	1979 $	1978 $
Revenue	221.94m	—
Net profits	9.09m	7.94m
Net per share	0.65	0.57
Six months		
Revenue	531.64m	462.01m
Net profits	31.05m	24.84m
Net per share	2.23	1.80
Net per share	0.10	†0.67

JOSTENS

Third quarter	1979 $	1978 $
Revenue	57.9m	54.6m
Net profits	3.54m	2.94m
Net per share	0.45	0.39

JOY MANUFACTURING

Second quarter	1979 $	1978 $
Revenue	189.9m	153.9m
Net profits	11.8m	6.2m
Net per share	0.90	0.48
Six months		
Revenue	374.9m	307.7m
Net profits	24.2m	11.7m
Net per share	1.86	0.90

KAISER STEEL

First quarter	1979 $	1978 $
Revenue	235.4m	173.9m
Net profits	726,000	†14.69m

† Loss.

KOPPERS

First quarter	1979 $	1978 $
Revenue	347.2m	284.8m
Net profits	4.04m	3.08m
Net per share	0.15	0.12

LOUISIANA-PACIFIC

First quarter	1979 $	1978 $
Revenue	268.0m	204.2m
Net profits	23.81m	17.96m
Net per share	0.82	0.62

MELVILLE CORPORATION

First quarter	1979 $	1978 $
Revenue	369.5m	328.9m
Net profits	6.30m	7.51m
Net per share	0.25	0.30

MONARCH MACHINE TOOL

First quarter	1979 $	1978 $
Revenue	20.6m	17.8m
Net profits	1.24m	973,030
Net per share	0.71	0.56

MUNSINGWEAR

First quarter	1979 $	1978 $
Revenue	34.71m	33.[illegible]
Net profits	1.15m	1.[illegible]
Net per share	0.87	[illegible]

NATIONAL DISTILLERS & CHEMICAL

First quarter	1979 $	1978 $
Revenue	548.5m	421[illegible]
Net profits	29.29m	21.[illegible]
Net per share	1.02	[illegible]

NORTHWEST INDUSTRIES

First quarter	1979 $	1978 $
Revenue	887.4m	52[illegible]
Net profits	31.1m	2[illegible]
Net per share	1.10	[illegible]

OLIN

First quarter	1979 $	1978 $
Revenue	437.18m	346.[illegible]
Net profits	17.49m	3.[illegible]
Net per share	0.73	[illegible]

PENNWALT

First quarter	1979 $	1978 $
Revenue	258.3m	21[illegible]
Net profits	10.01m	10.[illegible]
Net per share	1.00	[illegible]

POLAROID

First quarter	1979	1978
Revenue	264.9m	24[illegible]
Net profits	17.11m	14.[illegible]
Net per share	0.52	[illegible]

QUESTOR

First quarter	1979 $	1978 $
Revenue	104.4m	9[illegible]
Net profits	†2.00m	†2[illegible]
Net per share	†0.21	[illegible]

† Loss.

RALSON-PURINA

Second quarter	1979 $	1978 $
Revenue	1.14bn	1.[illegible]
Net profits	33.3m	3[illegible]
Net per share	0.31	[illegible]
Six months		
Revenue	2.24bn	2.[illegible]
Net profits	77.2m	6[illegible]
Net per share	0.72	[illegible]

SANTA FE INDUSTRIES

First quarter	1979 $	1978 $
Revenue	551.3m	47[illegible]
Net profits	46.2m	2[illegible]
Net per share	1.56	[illegible]

SOUTHERN CALIFORNIA EDISON

First quarter	1979 $	1978 $
Revenue	603.7m	54[illegible]
Net profits	71.43m	34[illegible]
Net per share	1.09	[illegible]

INTERNATIONAL COMPANIES and FINANCE

Swedish cement group on target

By Victor Kayfetz in Stockholm

Sweden and Europe's biggest public works contractor, announced a preliminary consolidated pre-tax profit for 1978 of Skr 346m ($79m). As predicted in the eight-month interim report, this was somewhat higher than the Skr 336m recorded in 1977.

With a turnover of Skr 7.82bn ($1.7bn), Skanska comfortably exceded its October prediction of Skr 7.2bn for 1978 and was up by 16.5 per cent on the preceding year's sales of Skr 6.54bn.

The board recommends raising the dividend by Skr 2 to Skr 13, which would require payment of Skr 35m against Skr 29.2m for 1977. It also proposes to raise the share capital by Skr 67.3m to Skr 201.9m by a bonus issue of one share for each two existing shares.

Skanska predicted that its 1979 consolidated pre-tax profit would be somewhat larger than the 1978 figure, which includes Skr 86m in net financial income and Skr 11m in net extraordinary costs. In 1977, financial items gave a net income of Skr 103m and there was a net extraordinary income of Skr 22m.

After appropriations and taxes, consolidated net profit in 1978 was Skr 123m, compared with Skr 86m the year before.

The parent company, whose pre-tax earnings rose by Skr 4m to Skr 206m last year on turnover of Skr 6.43bn, 17 per cent above 1977 sales, recorded a 1978 net profit of Skr 100m, or Skr 25m up on the preceding year.

German bond sales

FRANKFURT—Net sales of West German fixed interest securities totalled DM4.59bn in March, compared with a downwards revised DM5.11bn in February and the year-ago DM3.34bn net sales, according to the Bundesbank. Gross sales fell to DM7.78bn from a downwards revised DM9.28bn, and were up slightly from the year-ago DM7.12bn. Redemptions fell to DM3.18bn from DM4.17bn and were slightly below the year-ago DM3.79bn.
Reuter

DAF Trucks expects to move out of the red

BY CHARLES BATCHELOR IN AMSTERDAM

DAF TRUCKS, the Dutch commercial vehicle maker, expects to return to profit this year after going into the red in 1978. But DAF's president, Mr. Piet van Doorne, warns that the wage agreement recently reached at its Belgian factory posed a threat to this forecast.

The overall result for DAF is expected to be positive again in 1979 after the net loss of Fl 16m ($8m) in 1978. The satisfactory order book and smoother production performance will lead to a more favourable result for commercial vehicles while losses in the special products division will be considerably lower.

Prospects in Western Europe are more favourable given the gradual improvement of the West German economy, low inflation and the closer monetary co-operation within the EEC. This is expected to lead to higher investment by the transport industry. Developments in the first few months of 1979 have confirmed these expectations, DAF says.

Following last year's strike at DAF's only foreign production plant, at Oevel in Belgium, this factory continues to pose problems for the group. The 1979 wage agreement will lead to an 8.5 per cent rise in wage costs while a further 13 per cent increase is likely next year, Mr. van Doorne said in a message to the workforce.

The Belgian Government's programme to reduce the working week to 36 hours from 38—compared with the average of 40 hours in Holland—will also increase costs considerably.

Last year's move into the red followed the tripling of net profit to Fl 30.1m the year before. Sales fell 2 per cent in 1978 to Fl 1.17bn ($585m). Production difficulties and introduction of new internal systems led to a 12 per cent fall to 11,370 in the number of trucks produced.

The special products division made a considerable loss with the military and aviation sectors experiencing difficulties as well as the trailer sector. After problems with the landing gear for the F-16 fighter co-operation with the U.S. main contractor, Menasco, was stepped up and the situation has improved.

Dutch insurer boosts profits

BY OUR FINANCIAL STAFF

ENNIA, the Dutch insurance group, boosted its net profits last year from Fl42.9m to Fl55.5m ($28m).

Earnings per share moved up from Fl23.95 to Fl25.96 on capital increased by 19.5 per cent.

Ennia is paying a final dividend of Fl5 cash against Fl4.75 making a total of Fl8 after last year's Fl7.50, or Fl1.30 in cash against Fl0.75 plus a maintained 3½ per cent tax-free in shares from the share premium reserve.

The company will also make a 10 per cent tax-free share distribution, ranking for the 1979 dividend, to celebrate its 10th anniversary.

Meanwhile, Amfas, the Amsterdam-based insurance company, has announced a profits advance last year from Fl29.4m to Fl34.3m on revenues up from Fl1bn to Fl1.19bn.

Net profits per share emerge at Fl17.52 against Fl15.31. A final dividend of Fl4.30 (Fl3.80) in cash is being paid for a total of Fl6.50 against Fl5.80 on capital increased by 2.5 per cent.

Shareholders will have the option of taking a final cash dividend of Fl 2 (Fl 1.60) and Fl 0.50 in shares, tax-free, from the share premium reserve.

Mixed results for Shell Nederland

THE HAGUE — Shell Nederland made a profit of Fl 10m to Fl 15m ($4.85m to $7.28m) on its refining activities in the Netherlands last year, but the chemicals sector realised a net loss of more than Fl 100m, the company reported at its annual Press conference.

The losses of Shell Nederland Chemie are expected to narrow in the current year with an upsurge in the demand for naphtha.

In 1978 market prices for many products shrank after significant decreases in 1977, due to overcapacity in the chemical sector in Western Europe and there was a sharp rise in world raw material prices in the fourth quarter.

The refining company—Shell Nederland Raffinaderij Rotterdam—made a modest profit as a result of rising prices for oil products in the second half and more specific marketing objectives, but Shell Tankers reduced its fleet from 43 to 36 ships in response to a decrease in world demand.

The oil and gas exploration unit, Nederlandse Aardolie Maatschappij, expects to double production of gas from the North Sea in 1979 to about 10m cubic metres.
AP-DJ

Imetal setback

SOCIETE IMETAL, a holding company belonging to the Rothschild group, reports a non-consolidated net profit of FFr 36.1m ($8.3m) for 1978, compared with FFr 37.5m in 1977, reports AP-DJ from Paris. The company will pay an unchanged net dividend of FFr 3.80 per share.

At the same time, Societe Metallurgique le Nickel (SLN), equally owned by Imetal and the Elf-Aquitaine group, posted a loss of FFr 593.3m ($136m), including FFr 89.4m for stock depreciation last, against a loss of FFr 65.8m.

Herstal down but maintains payout

By Giles Merritt in Brussels

FABRIQUE NATIONALE Herstal, the major Belgian arms-to-aero engines group, has announced that it is maintaining its dividend level, in spite of a fall in net earnings.

The costly restructuring and diversification programme that the Liege-based FN is currently embarked on has contributed to net earnings dropping sharply for the period ending December 31, 1978. Announcing the figures for an extraordinary 18-month reporting period up to that date — which results from switching from its previous financial year to the end of June—the group revealed that profits stood at BFr 141m ($4-67m), compared with the BFr 197m earnings recorded for the 12-month period to June, 1977.

Heavy investments in FN's aircraft engines division, which is involved with Pratt and Whitney of the U.S. in producing F100 engines for the new F-16 combat plane, are understood to have contributed to lower net profits. During the 12 months to last June, the new F100 plant absorbed BFr 1.22bn out of total FN investments of BFr 1.68bn.

Sales for the 18-month period from July 1977 to December 1978 totalled BFrs 16.9bn ($560m), as against BFrs 10.47bn for the preceding 12-month period.

Hill Samuel in Bahrain

By David Freud

THE London merchant bank Hill Samuel has started a new banking venture in Bahrain in equal partnership with the Paris-based Compagnie Arabe et Internationale d'Investissement.

The new merchant bank, known as BAII-Hill Samuel Corporation, has been granted an investment banking licence by the Bahrain Monetary Agency. It will have an initial share capital of BD 1m (US$ 2.6m).

Tanker cancellation fees help Aker to cut deficit

BY FAY GJESTER IN OSLO

NORWAY'S AKER shipbuilding and offshore fabricating group had increased turnover and profit before financial provisions in 1978. But the net result, after financial provisions, is a deficit of Nkr 12.5m ($2.42m) compared with Nkr 19m in 1977, and for the fifth year running, no dividend is being paid.

The value of production in 1978 is estimated at Nkr 3bn against Nkr 2.89bn, and invoiced sales reached Nkr 3bn compared with Nkr 2.8bn, including exports valued at Nkr 1.5bn against Nkr 0.9bn.

Cancellation fees for tankers which should have been delivered in 1978 accounted for Nkr 108m of this year's income, after deduction of all direct payments to sub-contractors and others. The fees were agreed several years ago when the contracts were cancelled, but for tax reasons they are being credited to income in the years the ships should have been delivered. A further amount will be credited to this year's income.

Aker's managing director, Mr. Gustav Heiberg Simonsen, described the 1978 results as reasonably good, under the circumstances. This year will be more difficult than 1978, he said, and some lay-offs will be unavoidable, but capacity in most of the group's companies is fairly well booked for the rest of 1979 and up to the summer of 1980. He said liquidity had improved during 1978, and there was a reduction in net interest costs.

The annual report says that the group has continued to deploy activities away from shipbuilding and the production of ship engines. Building of platforms and other offshore constructions at yards on the mainland accounted for 22 per cent of group capacity, while contracting work undertaken offshore accounted for 23 per cent.

Shipbuilding accounted for 26 per cent, production of motors, ship equipment, etc. for 9 per cent, repairs and conversions for 6 per cent and industrial contracts (involving a wide range of products) for 14 per cent.

In a review of market prospects, the report says that Aker has attempted to secure offshore assignments in the UK sector of the North Sea, but it has become more difficult for Norwegian companies to obtain orders on this market.

Bids have been submitted for offshore work in China, Brazil and Mexico, and Aker has been contacted by the Dae Wo concern, of Korea, which wants the group to become its partner in planned offshore operations in Korean waters.

Stora takes stake in Kaukas

BY LANCE KEYWORTH IN HELSINKI

STORA Kopparberg of Sweden and Kaukas of Finland have entered into a co-operation agreement that breaks new ground for the Scandinavian pulp and paper industry.

Under the agreement, which effectively limits the Swedish company's production of lightweight coated papers, Stora has taken an 8 per cent shareholding in Kaukas and now has a representative on the Kaukas board. The companies had combined sales of $860m in 1978.

Stora will postpone its plans to enter the market for lightweight coated magazine papers until Kaukas has started its enlargement project which will add a second LWC paper machine to its production capacity. It is estimated that the demand for LWC paper qualities will grow in Europe by 4-5 per cent yearly. This leaves room for the construction of only one new production unit every second year if supply and demand are to be kept in some sort of balance.

As part of the agreement, Kaukas will sell the Swedish company the know-how and experience it has acquired with its first LWC paper machine. Kaukas, in turn, bought know-how for its venture into paper-making from Mead Corporation of the U.S.

This agreement to limit LWC paper production is the first concrete evidence of acceptance of the fact that Finland's major competitor in the European paper market is now the U.S. and not Sweden.

Bouygues sees sales increase

PARIS—Net turnover of the French construction group Bouygues should rise to about FFr 5.19bn ($1.19bn) in 1979 from the FFr 5.05bn achieved last year, despite a decline of FFr 600m in its Iranian sales after a FFr 200m drop in 1978, the group's chairman, M. Francis Bouygues, told a Press conference.

Net consolidated profit would at least equal the FFr 80.1m reported for last year, he added.

Of the 1978 consolidated profit, which compared with FFr 50.2m in 1977, 40 per cent resulted from the repatriation of profits made abroad against slightly under 20 per cent in the previous year.

Debts from Iran plus plant and stocks there, were written down to nothing in the 1978 accounts, as well as payments due from the French Government export insurance organisation, M. Bouygues said. If the group's activities in Iran had not ceased completely, 1978 net consolidated profit would have been FFr 30m higher.
Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 23

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	84	84½	−0¼	−0½	9.82
CECA 9¼ 84-99	50	98	98½	0	0	[illegible]
Canada 9 83	400	97⅞	98⅜	+0⅛	+0⅛	9.75
Canada 9¼ 98	350	96⅞	97⅜	−0⅛	0	9.84
Comalco Inv. E. 10½ 91	40	98½	99	—	—	10.42
Dow Chem. O/S 9⅜ 94	200	97½	98	+0⅛	+0⅛	9.91
EIB 9⅛ 88	125	94⅞	95⅜	0	0	[illegible]
EIB 9⅞ 88	150	99⅞	100	0	0	[illegible]
EIB 9⅞ 99	100	99½	100⅛	−0⅛	+0⅛	10.10
Export Dv. Cpn. 9.85 84	150	100⅞	101	−0⅛	+0⅛	9.87
Export Dv. Cpn. 9¼ 84	100	97⅞	98⅛	0	+0⅛	9.81
Eksportfinans 9 86	50	96⅛	96⅝	0	+0⅛	[illegible]
Finland 9 88	100	95⅞	96⅜	−0⅛	0	10.00
Finland 9½ 86	100	97⅞	98⅜	0	+0⅛	[illegible]
GTE Fin. 9⅜ 84	50	98⅛	98⅝	0	+0⅛	9.82
Gould Int. Fin. 9⅞ 85	50	99⅝	100	0	+0⅛	[illegible]
Hospital O/S 9 83	25	97⅞	98⅛	0	+0⅛	9.59
Hudson Bay Co. 10 84	50	100⅝	101⅛	0	+0⅛	9.88
Ital Finance 9⅞ 90	30	94⅛	94⅝	+0⅛	−0⅛	10.60
J. C. Penney 8½ 83	100	96⅛	96⅝	0	−0⅛	9.58
Manitoba 9½ 88	75	97⅛	97⅝	0	0	9.90
New Brunswick 9⅝ 94	75	98	98½	0	+0⅛	9.97
Newfoundland 10 94	50	99⅝	100⅛	+0⅛	+0⅛	10.01
Norsk Hydro 9⅛ 94	50	95⅛	95⅝	−0⅛	0	9.83
Norway 9⅜ 84	150	100⅛	100⅝	0	0	9.87
Portland 10 84	[illegible]	97⅛	98	0	0	[illegible]
Redland Fin. XW 9½ 91	25	93⅛	93⅝	+0⅛	+0⅛	10.49
Sears Roebuck 9 82	150	98⅛	98⅞	+0⅛	+0⅛	9.56
Stockholm 9⅝ 84	60	99⅝	100⅛	0	+0⅛	9.97
UK 8⅞ 93	150	96⅛	96⅝	0	0	8.63

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 6¾ 87	70	92½	93	−0⅛	−0⅛	[illegible]
Argentina 6½ 88	150	93⅛	94	0	+0⅛	[illegible]
Australia 6 88	250	95⅞	96⅜	−0⅛	−0⅛	6.56
Austria 6¼ 90	150	91⅛	91⅞	0	−0⅛	[illegible]
Banco Desarrollo 7¼ 86	100	96⅝	97⅛	+0⅛	−1	7.85
Bankamerica 5¾ 90	150	92⅜	92⅞	−0⅛	−0⅛	6.68
Bq. Ext. Algerie 7¼ 85	100	97⅛	97⅝	0	+0⅛	7.74
Brazil 7¾ 87	150	99½	100	+0⅛	−0⅛	[illegible]
CECA 6 88	150	94½	95	−0⅛	−0⅛	[illegible]
Ch. Manhttn. O/S 6 93	100	96⅛	96⅝	−0⅛	−1⅛	6.39
Copenhagen City 6 90	75	91½	92½	+0⅛	−0⅛	[illegible]
Council of Europe 6¼	150	95⅛	95⅞	−0⅛	−0⅛	6.90
Denmark 5¾ 85	100	95⅞	96⅜	−0⅛	−0⅛	[illegible]
Denmark 6½ 89	100	96⅛	96⅝	−0⅛	−0⅛	7.02
EIB 6 90	300	91⅞	92⅜	−0⅛	−0⅞	[illegible]
EIB 6½ 91	200	95⅝	96⅛	0	−0⅛	7.01
Eletrobras-Brazil 7 87	100	95⅞	96⅜	−0⅛	−0⅛	7.67
Eurofima 6½ 89	100	99⅞	100⅜	+0⅛	−0⅛	[illegible]
Finland 6 83	150	98⅝	99½	0	−0⅛	6.21
Hitachi Ship. 5¾ 83	50	96⅝	97⅛	+0⅛	−0⅛	6.51
Indonesia 7 84	100	96⅝	97⅛	+0½	−0⅛	[illegible]
Kobe, City of 5¾ 88	100	96⅛	96⅞	+0⅛	−0⅛	6.37
Mogal Fin. 7 89	150	98⅞	99⅜	0	−0⅛	7.11
Mitsubishi Petro. 5¾ 85	100	96½	96⅞	0	−0⅛	6.40
New Zealand 6¼ 87	200	98⅝	99⅛	0	−0⅛	6.39
Nippon Kokan 7½ 84	100	98⅝	99⅛	0	−0⅛	7.82
Nippon Steel 5¾ 85	100	93	93⅝	−0½	−1⅛	7.07
Nippon Tel. & T. 5½ 87	100	91⅝	92⅛	+0⅛	−1⅛	6.86
Nordic Inv. Bk. 6¼ 86	60	97⅝	98⅛	+0⅛	−0⅛	6.62
Norges Komm. 6 90	100	93½	94⅛	+0⅛	−0⅛	6.79
Norges Komm. 6¼ 89	150	96⅝	97⅛	−0½	−0⅛	[illegible]
Norway 6¼ 84	200	100⅝	101⅛	0	−0⅛	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(continued)	Issued	Bid	Offer	Change on day	Change on week	Yield
Quebec 10¾ 86 C$	60	98⅛	98⅝	—	—	10.46
Komm. Inst. 7½ 93 EUA	15	97½	98⅛	0	0	7.71
Panama 8¼ 93 EUA	20	96⅛	97⅛	+0⅛	+2⅛	8.88
SOFTE 8¼ 89 EUA	40	97⅞	98⅜	−0⅛	−0⅛	8.54
Algemene Bk. 6¾ 83 Fl	75	95⅞	96⅜	+0⅛	+0⅛	7.35
CFE Mexico 7¾ 83 Fl	75	97⅛	98⅛	+0⅛	0	8.27
EIB 7¾ 85 Fl	75	94⅛	95⅛	−0⅛	−0⅛	8.32
Ned. Middbk. 8¼ 84 Fl	75	100	100⅛	0	+0⅛	8.15
New Zealand 6¾ 84 Fl	75	94⅛	94⅞	0	0	8.08
Norway 8¼ 84 Fl	100	100⅞	101⅛	0	−0⅛	7.96
Elf Aquitaine 9¾ 88 FFr	150	98⅛	99⅛	0	−0⅛	9.92
EIB 9¼ 88 FFr	200	99	99½	0	0	9.36
Norway 9¼ 84 FFr	200	99⅛	100⅛	+0⅛	0	9.33
PSA Peugeot 9¾ 87 FFr	175	99⅛	99⅝	0	−0⅛	9.85
Solvay et Cie 9¾ 87 FFr	125	99⅞	99⅝	0	0	9.87
Total Oil 9¼ 87 FFr	150	97⅛	97⅞	0	−0⅛	9.84
Unilever 10 85 FFr	100	100⅞	101⅛	0	0	9.71
CECA 9¾ 89 £	20	90⅞	91⅛	0	−0⅛	11.12
Citicorp 10 93 £	50	90	90⅛	0	−1⅛	11.41
EIB 9¾ 88 £	25	95⅛	95⅞	0	−1	10.55
Finance for Ind. 13 91 £	15	104	104½	0	−1½	12.29
Gen. Elec. Co. 12¾ 89 £	50	101⅞	102⅛	−0⅛	−1⅛	12.11
BAT 8 88 LuxFr	250	97⅛	98½	0	+0⅛	8.33
Bayer Lux. 8 88 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.32
EIB 7¾ 88 LuxFr	250	96⅛	98	0	+0⅛	8.16
Euratom 8 87 LuxFr	500	99⅛	101	0	−0⅛	7.93
Finland I. F. 8 88 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.31
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	0	+0⅛	8.31
Norges Km. 8 86 LuxFr	500	98⅛	99⅞	+0⅛	+0⅛	8.12
Oslo, City of 8 89 LuxFr	500	98⅞	99⅞	+0⅛	+0⅛	8.09
Renault 7¾ 88 LuxFr	500	97⅛	98⅛	+0⅛	+0⅛	8.06
Solvay Fin. 8 85 LuxFr	500	100⅛	101⅛	+0⅛	0	7.83
Swedish Bk. 8 88 LuxFr	500	99⅛	100⅞	−0⅛	−0⅛	7.86

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0⅛	96⅞	97⅛	31/7	11.44	11.78
BFG Fin. Co. M5.5 89	0⅛	98⅛	99	12/7	12.4	12.56
Banco di Roma M6 87	0⅛	98½	99	26/4	—	—
Bco. El Salvador M8 83	1⅛	97⅛	97⅛	12/10	12⅛	12.56
Bco. Nac. Argnt. M8 83	0⅛	100⅛	100⅝	21/7	12⅛	12.20
Bco. Nac. Argnt. 7 86	0⅛	97⅞	98⅛	22/9	11⅛	11.72
Banco Urquijo 6 88	0⅛	97⅛	98⅛	21/8	11½	11.75
Bank of Tokyo M5½ 93	0⅛	97⅛	98⅛	18/10	11⅛	[illegible]
Bq. E. d'Alg. M8.375 84	0⅛	97	97½	9/8	11⅞	12.21
Bq. Ext. d'Alg. M7.5 85	0⅛	95⅛	96⅛	2/6	12⅛	13.35
Bq. Indo et Suez M5½	0⅛	93⅛	99⅞	25/7	12	12.05
Bq. I. Af. Occ. M8.5 83	0⅛	98⅛	98⅛	12/7	12.4	12.60
BNP 5½ 91	0⅛	97⅛	98⅛	22/2	11½	11.61
CCCE M5.25 98	0⅛	97⅛	97⅞	3/8	11½	11.65
Ch. Man. O/S M5⅛ 93	0⅛	98⅛	98⅛	27/7	11.73	11.90
Citicorp O/S Fin. 6 94	0⅛	99⅛	99⅛	6/6	11.06	11.12
Credit National M5⅛ 88	0⅛	98⅛	98⅞	11/7	12.31	12.48
Gotabanken M6 89	0⅛	98½	98⅞	15/5	12.31	[illegible]
Ind. Bk. Japan M5½ 86	0⅛	99⅛	100⅛	1/6	12.35	12.35
LTCB Japan M5⅛ 85	0⅛	99⅛	99⅛	9/8	12.06	12.12
Midland Intl. M5⅛ 93	0⅛	98⅛	99⅛	20/7	12⅛	12.37
Ninn. Crdt. Bk. M5.5 86	0⅛	99⅛	100⅛	22/8	12.81	12.83
OKB M5⅛ 88	0⅛	98⅛	99⅛	18/10	11.44	11.49
Offshore Mining 88	0⅛	99⅛	99⅞	19/7	12.19	12.23
Petro Mexicano 7⅛ 84	0⅛	99⅞	99⅛	24/7	12.02	12.17
Privredna Banka M8 86	0⅛	96⅛	97⅛	22/6	[illegible]	13.89
Standard Chrt. M5.5 90	0⅛	97½	98	10/8	11.56	11.83
Sundsvallsbknn. M6 85	0⅛	97½	98	4/10	11.06	11.32
Texas Int. Air. M7 86	0⅛	97⅞	98⅛	11/10	11⅛	11.45
Utd. Overs's Bk. M6 89	0⅛	97⅛	98⅛	29/9	11.14	11.36

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coca-Cola Bottling 6¾	4/79	9	90⅛	91⅛	+0⅛	23.19
Esselte 7¾ 89	9/79	169	97½	98½	+0⅛	[illegible]
Honda Motor 5½ 89	5/79	532	103½	104⅛	+0⅛	−0.72
Ito-Yokado 5¾ 93	6/78	1339	108⅛	108⅞	+0⅛	[illegible]
Novo Industri 7 89	4/79	258	87⅛	88⅞	0	8.30
Texas Int. Air. 7½ 93	4/79	14.5	90	91⅛	+1⅛	14.27
Thorn Int. Fin. 7 88	11/78	3.67	134⅛	135⅛	+0⅛	−2.45
Asahi Optical 3½ DM	12/78	586	92½	93½	+0⅛	8.35
Casio Cp. 3½ 85 DM	11/78	841	92⅛	93⅛	+0½	16.20
Izumiya 3½ 86 DM	10/78	989	98	88	−0⅛	−1.44
Jusco 3½ 86 DM	1/79	1154	85⅞	86⅞	−0⅛	25.22
Kansai Elec. 4 84 DM	4/79	1350	89⅛	90⅛	+0½	[illegible]
Konishiroku 3½ 85 DM	1/79	612	92⅛	93⅛	+0⅛	[illegible]
Marudai Food 3½ DM	2/79	1033	86⅛	87⅛	+0⅛	[illegible]
Murata M. 3½ 86 DM	11/78	854	98	99	+1⅛	[illegible]
Nipp. Air. 3.5 88 DM	12/78	508	85	86	+0½	11.66
Nippon Ysn. 3½ 85 DM	1/79	251	92⅛	93⅛	+0½	[illegible]
Nissan Diesl. 3½ 86 DM	2/79	477	93½	94½	0	7.08
Olymp. Opt. 3½ 85 DM	2/79	703	100⅛	101⅛	+0⅛	3.12
Ricoh 3½ 86 DM	10/78	617	92½	93½	0	15.86
Sharp Cpn. 3½ 88 DM	2/79	487	96½	97½	+0⅛	9.38
Stanley Elec. 3½ DM	11/78	623	90⅛	91⅛	0	[illegible]
Tokyo Elec. 3½ 87 DM	4/79	476	93	94	−0⅛	22.33
Tokyu Ld. Cp. 4 86 DM	4/79	493	87⅛	88⅛	+0⅛	[illegible]
Trio-Knwd. 3½ 86 DM	11/78	711	86⅛	87⅛	+0⅛	14.97

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

IEL takes leading stake in Marra Developments

BY JAMES FORTH IN SYDNEY

CORPORATE takeover specialist Industrial Equity (IEL) has become the largest shareholder in the pastoral group, Marra Developments. IEL paid A$10.5m (U.S.$11.6m) for 20.4m convertible preference shares held by interests associated with Melbourne businessman, Mr. Peter Yunghanns. The purchase gives IEL 68.6 per cent of the preference capital and 37.9 per cent of the total voting shares in Marra.

IEL proposed "in due course" to make a comparable offer for the rest of the preference shares, which would give it 55.25 per cent of the total capital but gave no indication that there would be any bid for the ordinary shares.

Mr. Yunghanns became the major shareholder during an attempt in 1974 to acquire another pastoral group, Scottish Australian Holdings. Marra countered with a merger involving convertible preference shares which Mr. Yunghanns accepted. Marra subsequently ran up heavy losses and instituted a policy of selling rural interests to ensure it would have enough to redeem the preference shares when they mature in 1983. This led to the formation of the Marra shareholders' Action Group, largely representing family interests of the original Marra company. The dissidents have consistently attacked the Marra policy.

Boosted by the upturn in the rural industry the Marra board recently suggested three alternative capital reconstruction proposals to resolve the long standing disputes. One proposal was for the redemption of the preference shares, another to buy out the ordinary shareholders

Interest rates up in Australia

BY OUR SYDNEY CORRESPONDENT

THE Australian Government has announced a package of monetary measures including a lift in some official interest rates, which is designed to restore calm to the capital market. The Government had been under increasing pressure to increase interest rates since the February loan, when the long-term bond rate—the benchmark for interest rates generally—was raised to nine per cent, only three months after it had been reduced in the November loan to 8.8 per cent.

The monetary measures involved a lift of 0.7 per cent in interest rates on semi- and local government securities, a rise of 0.5 per cent in the interest rate on the Australian Savings Bond (ASB) and the financing of another A$300m of the record wheat crop through the issue of commercial bills, rather than through rural credits from the Reserve Bank.

The government also increased the maximum permissible investment in ASB's from A$100,000 to A$150,000 in a move to attract professional investors, which in turn would help fund the Budget deficit from the non-bank private sector, while also reining back on money supply growth.

Shipbuilding slump to give IHI big losses

TOKYO — Ishikawajima-Harima Heavy Industries (IHI) said that it expects a big before-tax and special items loss for the year ended March 31, following the shipbuilding industry slump and heavy retirement allowance payments.

A Nihon Keizai report putting the loss at Y10bn (almost $50m) was "not a bad guess," IHI said, though declining to give an exact figure.

In the year to March 31, 1978, IHI reported an after-tax profit of Y5.73bn, and a profit before-tax and special items of Y34.98bn, on sales of Y763.45bn.

IHI paid Y33bn to workers who left the company in 1978-79 under review. Last November it offered its union a plan to reduce personnel expenses by 20 per cent to help overcome the recession, proposing to pay up to 12 months' salary as an extra retirement allowance in addition to regular retirement allowances to workers prepared to retire earlier than the retirement age of 58.

About 4,600 workers, or about 14 per cent of the total workforce responded to the company offer.

Reuter

YULSAN COLLAPSE

Limiting the shock waves

BY RON RICHARDSON IN SEOUL

THE COLLAPSE of the Yulsan group, the newest of South Korea's overseas general trading companies, has sent shock waves through the banking industry which heavily underwrote the company's rapid growth.

The president of the company's main backer, Bank of Seoul and Trust Company, has been arrested on suspicion of breach of duty in allowing emergency loans to Yulsan of about 6bn won ($12.4m) last October and November. The presidents of three other commercial banks have resigned—two of them at Government request. All four banks are Government-owned.

The total amount owed by Yulsan to 18 Korean and foreign banks as of March 20 was 133bn won according to a statement to the National Assembly by the Finance Minister, Mr. Kim Woun-Gie. Most of this amount is outstanding to the city banks.

The group is now being managed by a supervisory committee appointed by the four banks. Under Government instruction, the committee is selling off the active subsidiaries of the group as going concerns, to minimise the impact of the collapse on other businesses, especially Yulsan's suppliers.

The banks expect the sale to raise about 115bn won which would leave a shortfall of at least 18bn won on repayment of bank lending. However, the Government is offering inducements to interested bidders to take over the full liabilities of Yulsan subsidiaries which they acquire. In this case, the actual loss to the banks may be less.

At the time of the collapse, Yulsan had been built up in three and a half years into a conglomerate of 14 companies employing 8,300 people, with paid capital of 9.9bn won. Its activities took in construction projects in the Middle East and Sri Lanka, an aluminium extrusion plant owned jointly with Kaiser Aluminum of the U.S., a shipping line, a domestic bus terminal, steel fabrication, a textile company, and a general import-export business.

The Yulsan group—the collapsed South Korean overseas general trading company—is being managed by a supervisory group, under Government instruction. The active subsidiaries are being sold off as going concerns, to minimise the impact of the collapse on other businesses, especially Yulsan's suppliers

According to bank investigators, the collapse of Yulsan, which had been rumoured to be in financial difficulties since the middle of last year, was brought about by a combination of mismanagement, unprofitably low tendering on overseas construction contracts and the alleged fraudulent use of low interest rate export loans.

The 31-year-old founder and former president of the group, Mr. Shin Sun-Ho, was arrested on April 3 on charges of having embezzled or illegally diverted about 10.5bn won of company funds during the past three years.

Mr. Shin established Yulsan in partnership with a number of former high school colleagues in June, 1975, with capital of 1m won. The group grew rapidly, partly through the export of cement and other construction materials, to the Middle East, and partly by takeovers financed by bank loans.

By 1978, Yulsan had built up its export trade sufficiently to gain endorsement as Korea's thirteenth general trading company. However, it is now suggested that there were considerable irregularities in the export finance transactions of the group. Loans available during 1977 for the manufacture and financing of exports carried an interest rate of 8 per cent compared with 20 per cent on-call loans.

Mr. Kim Woun-Gie told the National Assembly earlier this week that the interest rate on export finance would be raised by mid-1980 to lessen the possibility of misappropriation of concessional rate funds. Stricter ceiling are also to be applied to advances of this kind.

Early last year, Yulsan ran into major cash-flow problems when the Korean Government imposed a ban on the export of cement and a number of other construction materials which were in short supply domestically. Yulsan had been a major exporter of these items.

The company is known to have sought additional funds from a variety of bank and non-bank sources. Some banks in London were approached with requests to discount commercial bills of the group.

Although gaining considerable accommodation from its main Korean bankers, the group found itself facing a liquidity crisis in the last quarter of 1978 as a general squeeze on the domestic money supply by the Government hindered Yulsan's ability to refinance borrowings.

Despite the emergency lending, Yulsan's cheques began being dishonoured in February and the banks moved in a team to manage the group.

At this stage, the size of lending by foreign banks, both inside Korea and abroad, is not known. However, it is unlikely that they will incur losses, as the Korean Government is known to be anxious that the country's financial image is unscathed.

The Seoul branches of about four foreign banks are believed to be creditors of Yulsan. The branch of one British bank is known to have a term loan outstanding to the parent company, Yulsan Industries. However, as with most such credits, the loan is backed by a guarantee from one of the city banks.

"We are prepared to hold on to the loan," said an executive of the bank. "We do not expect to lose anything, except perhaps some interest. If we exercised the guarantee we would be breaking ranks and would lose many friends. You have to understand Korean ways in these situations."

Sime details domicile plan

BY WONG SULONG IN KUALA LUMPUR

SIME DARBY Holdings has finalised plans to move its domicile from London to Kuala Lumpur, after being delayed by more than a year by legal complexities and its abortive bid for Guthrie Corporation. The process would take four to five months to complete.

Under the plan, Sime Darby Holdings Ltd. (SDHL), registered in England, would become a wholly owned subsidiary of a new Malaysian company, Sime Darby Holdings Berhad (SDHB), and shareholders in SDHL will exchange their shares for SDHB shares.

The SDHB shares to be quoted in Malaysian ringgit, would be listed in the exchanges in London, Hong Kong, Singapore and Kuala Lumpur.

Sime said that, although the scheme appeared simple, its implementation was extremely complex, as the group had to meet the requirements of four countries.

The transfer of domicile is widely regarded as a logical, and final move by Sime, and is in acknowledgement of the fact that the group's main assets and activities are in Malaysia, and its board controlled by Malaysians.

Loan income lifts MIMB

BY WONG SULONG

MALAYSIAN International Merchant Bankers Berhad (MIMB), in which Barclays Bank has an interest, said its pre-tax profit for last year was 3.9m ringgit ($1.77m) or 54 per cent higher than in 1977.

The Bank is making a scrip issue to raise its paid up capital from 6.3m to 10m ringgit. The new 3.7m shares of 1 ringgit each represent capitalisation mainly from reserves, and are entitled to the proposed final 10 per cent dividend.

MIMB said income from its loan operations contributed substantially to its good results, although the year had been marked by tight liquidity and narrowing of spreads for merchant banks in Malaysia.

Profits from the sale of investments contributed 500,000 ringgit to profits, compared with 200,000 ringgit in 1977.

Total assets rose by 7 per cent to 136m ringgit, while loans increased by 10 per cent to 109m ringgit. Return on shareholders funds was 31.7 per cent in 1978 compared with 23.6 per cent in 1977.

Slightly higher Wall St. trend at mid-session

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—55½% (54%)
Effective $2.0685 23¾% (22½%)

AS INVESTORS continued to worry over interest rates and the economy, Wall Street started on an easier note, but stocks subsequently picked up to display a slightly firmer bias at mid-session after a light turnover.

The Dow Jones Industrial Average, off 1.47 at 11.00 am, improved to 858.37 at 1 pm for a net gain of 1.39. The NYSE All Common Index added 10 cents at $57.19, while rises at mid-session held a slight lead over declining issues. Trading volume was down sharply to 16.76m shares from last Friday's 1 pm level of 20.14m.

Closing prices and market reports were not available for this edition.

In a published interview, Federal Reserve chairman Miller said inflation will not begin to slow until the second half of the year and it will take up to seven years to control.

The Commerce Department reported that new orders for durable goods fell 2.5 per cent in March after a 1.6 per cent February rise. Analysts said, however, the decline tended to reinforce the view of those who say the economy is already slowing, and it is hoped that an economic slowdown will ease upward pressure on prices and interest rates.

General Public Utilities topped the actives list again but lost ⅜ to $11⅛. The company said that uninsured costs of the accident at its Pennsylvania nuclear plant are $32m a month.

Caesars World was hard hit, losing 3½ to $72¾ after a late start due to an order imbalance.

Revco D. S. receded 2⅛ to $25⅛ after the company and F. W. Woolworth ended talks on a possible merger. Woolworth, which is opposing a take-over bid from Brascan, slipped ¼ to $29⅜.

American Telephone, which has been weak since reporting first-quarter profits last week, eased ⅜ more to $59⅛.

Charter Company rose adding $1 at $15 in active trading. The warrants gained ⅞ to $8¾. It is benefiting from an interest in Carey Oil.

Improved earnings helped a few issues. Exxon gained ⅜ to $52⅜ on sharply higher first-quarter profits.

R. J. Reynolds net earnings advanced and it picked up ⅜ to $57⅛, but Avon Products lost ¼ to $48⅞ despite increased first-period earnings.

THE AMERICAN SE Market Value Index put on 0.12 to 160.94 at 1 pm on volume of 2.13m shares (2.11m).

Volume leader Resorts International "A" declined 1½ to $47 and Golden Nugget ⅛ to $21⅞, but Colonial Commercial gained ⅞ to $15⅞.

Amdahl, which has been strong since reporting improved profits last week, climbed $2 further to $41½.

Coleman hardened ¼ to $19¼. The company plans to buy back up to 1m of its shares.

Canada

Markets showed an easier tendency at mid-day following slow trading.

The Toronto Composite Index was 0.7 off at 1,463.5 at noon, while Oils and Gas lost 7.9 to 2,165.6, Metals and Minerals 6.2 to 1,270.8 and Papers 0.31 to 158.20. Golds, however, improved 5.6 to 1,500.7, Banks 1.08 to 307.60 and Utilities 0.88 to 221.89.

Imperial Oil "A" shed ¼ to C$27¼ and Abitibi ⅛ to C$17⅞ despite higher first-quarter net earnings.

Gibraltar Mines, with a first-quarter loss about the same as a year ago, lost ⅜ to C$7¼.

Brascan "A" eased ⅛ to C$23⅞, Noranda "A" ⅜ to C$42⅛ and Abacus Cities, the most active Toronto Industrial, 23 cents to C$1.62 on 67,810 shares.

Tokyo

Market continued to recover in a moderate business, with export-orientated Blue Chips leading the way on the dollar's appreciation in Tokyo.

The Nikkei-Dow Jones Average improved 17.55 to 6,120.52 and the Tokyo SE index ended 1.33 higher at 446.74, while volume totalled 250m shares, against last Friday's 330m.

Light Electricals and Cameras, which should benefit from the firmer dollar, continued to rise throughout the day, with TDK Electronics adding Y60 at Y2,030, Pioneer Electronic also Y60 at Y2,400, Matsushita Electric Y11 at Y750 and Ricoh Y12 at Y591.

Textiles were favoured in reflection of a recovery in the local textile market, while recently-neglected Shipbuildings rose on "cheap" buying.

Constructions, Machines and Chemicals were also generally higher, but Resources shares closed lower on profit-taking after a firm start. Teikoku Oil declined Y80 to Y1,200, Arabian Oil Y120 to Y2,810 and Mitsui Mining Y6 to Y530.

Germany

Profit-taking and technical influences after last week's uptrend caused a downward tendency yesterday. The Commerzbank index reacted 3.8 to 786.8.

One of the sharpest losses was sustained by AEG in leading Electricals, which retreated DM 2.40 to DM 60.30. Dealers ascribed the fall to a negative article about the company published in a popular West German weekly magazine.

Profit-takers pared DM 1.50 off both Deutsche Bank and Dresdner Bank, while Bayerische Vereinsbank lost DM 3 and Bayerische Hypo Bank DM 2.

Machine Manufacturers were mixed, with Babcock up DM 1.50, but GHH down DM 1.30 and Linde, in what was described as a purely technical retreat, DM 3 lower.

In Motors, BMW receded DM 1.50, but Volkswagen hardened 10 pfennigs. Traders said a demand for VW shares noticed in pre-market trading failed to develop. Investors were stocking up on VW shares last week in anticipation that the company would announce favourable early 1979 results at its annual Press conference this week.

Among Stores, Horten declined DM 2.

Public Authority Bonds lost up to 60 pfennigs despite DM 73.1m nominal of Bundesbank purchases. Mark Foreign Loans were steady.

Paris

Stocks generally made fresh progress in quite active trading, boosted by news that French industrialists have forecast a 7 per cent real rise in industrial investment in a survey made by the National Statistics Institute. The Bourse Industrials index rose 1.0 more to 81.2.

Apart from generally easier Electricals and Chemicals and mixed Stores and Metals, there was a predominance of gains.

Pernod Ricard advanced FFr 2 to FFr 306 in response to increased profits for 1978, but Beghin Say were unchanged at FFr 133 after announcing that after a 1977 loss of FFr 127.3m, it had made a FFr 123.7m profit in 1978.

Leading the market ahead were Credit National, Cie du Midi, Schneider, Moet-Hennessey, Peugeot-Citroen, Bouygues, Michelin, Aquitaine, Poclain, Borel, CFAO, Machines Bull, Sogerap Pompey, Imetal, St. Gobain, UTA and Penarroya.

Declining issues included Viniprix, which fell 15 per cent after announcing that it is to omit a dividend payment for 1978.

Australia

After the recent setback, stocks started on an easier note following an announcement that some official interest rates were being increased, but a good rally subsequently occurred in response to a lower-than-expected rise in the March quarter consumer price index. The Sydney All Ordinaries index finished the day 3.82 up at 570.24.

BHP regained 12 cents to A$9.48 and CSR 6 cents to A$3.58, while Bank of NSW put on 4 cents to A$3.30 and ANZ Bank 10 cents to A$4.10.

Among Minings, CRA picked up 9 cents to A$3.45 and Consolidated Goldfields 10 cents to A$3.50, while Western Mining, A$2.20, MIM, A$3.20, and BH South, A$1.35, were each 5 cents firmer.

Bellambi moved ahead 20 cents to A$3.80 on prospects for resuming exports at the end of the coal loaders strike.

Oils, however, mainly closed lower, with Woodside Petroleum off 2 cents at 78 cents.

Johannesburg

Gold shares tended to edge ahead in thin dealings on mainly local support.

Mining Financials were also quiet but with a firmer bias. Coppers and Platinums were little changed.

Industrials moved irregularly in a small business.

NOTES: Overseas prices shown below [illegible] de $ premium. Belgian dividends [illegible] after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◇ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NEW YORK

Stock	Apr. 20	Apr. 19
Abbott Labs	32⅛	32⅛
AM International	15⅞	16
Adobe Oil & Gas	24½	25
Aetna Life & Ca.	44⅞	44⅛
Air Products	28	28
Alcan Aluminium	37⅛	36¾
Corning Glass	55½	55⅜
CPC Int'rnation'l	49⅜	44¾
Crane Co.	31	37⅛
Crocker Natl	30	33⅛
Crown Zellerb'h	34⅛	31⅞
Cummins Engine	57	39¼
Curtiss Wright	14⅛	10⅝
Johns Manville	24½	24
Johnson Johnson	70⅛	69⅝
Johnson Control	30¼	30⅛
Joy Manufacturg	32½	32¼
K. Mart	25⅝	25½
Kaiser Aluminium	20⅜	20¼
Kaiser Industries	2⅝	2⅝
Kaiser Steel	29⅜	26⅝
Kaneb Services	15⅞	15¼
Revlon	47½	47⅞
Reynolds Metals	37⅞	38
Reynolds R.J.	56¾	56½
Rich'son Merrell	22	22⅝
Rockwell Inter.	38⅝	38⅛
Rohm & Haas	37⅞	37⅞
Royal Dutch	66⅞	67⅛
RTE	10⅝	10⅛
Woolworth	29⅛	28⅝
Wyly	5⅜	5½
Xerox	56⅝	56¾
Zapata	16⅜	16⅝
Zenith Radio	14⅜	14¾
U.S. Treas.4% '80	96⅝	†96⅝
USTreas4¼%75/85	81	†81
U.S. 90-day bills	9.27%	9.30%

Stock	Apr. 20	Apr. 19
Computerscienc	13	12⅞
Conn Life Ins	37¼	37
Conrac	15¾	16½
Con. Edison NY	23⅝	23⅝
Consol Foods	22¼	22⅞
Consol Nat. Gas	38½	38⅝
Consumer Power	21¼	21¼
ContinentalGr'up	28½	29
Continental Oil	33	32⅞
Continental Tele	16½	16½
Control Data	34⅜	34⅜
Cooper Indus	50⅛	49¾
Intl. Flavour	22	21⅞
Intl. Harvester	39⅞	39⅝
Intl. Min & Chem	45⅞	44
Intl. Multifoods	21¾	21¼
Inco	20¾	20⅝
Intl. Paper	45	45¼
Intl. Rectifier	11¾	11⅞
Intl. Tel & Tel	28⅛	28
Iowa Beef	41½	42
IU International	12⅞	12¾
Jim Walter	31⅜	31⅛
PPG Industries	27¼	27⅞
Procter Gamble	79⅛	78¾
Pub. Serv. Elec.	21⅞	21¼
Pullman	32⅞	32⅜
Purex	15⅝	16⅝
Quaker Oats	23⅛	23¼
Rapid American	14⅝	14⅞
Raytheon	44⅞	45
RCA	27	27⅝
Republic Steel	27¾	27½
Resorts Intl	48⅛	46⅛
Waste-Man'ment	30¼	30⅝
Wells-Fargo	29½	29⅞
Western Bancorp	28	28
Western N.Amer.	29⅛	29⅝
Western Union	18⅝	18¾
Westing'he Elec.	17⅞	17¾
Weyerhaeuser	30	29¾
Whirlpool	19⅞	19⅞
White Con. Ind	26⅝	27
William Co.	18½	18⅛
Wisconsin Elect.	25¼	25¾

CANADA

Stock	Apr. 20	Apr. 19
Toronto Dom.Bk.	22⅛	22¾
TransCanPipeLn	19½	19⅝
TransMount Pipe	10⅞	10⅝
Trizec	—	—
Union Gas	11	10⅞
UntdSiscoe Mnes	9⅛	9⅜
Walker Hiram	43⅝	43⅝
West Coast Trans	13⅜	13⅛
Weston (Geo.)	24	23¾

† Bid. ‡ Asked. § Traded. ¶ New stock.

Indices

NEW YORK—DOW JONES

	Apr. 20	April 19	Apr. 18	Apr. 17	Apr. 16	Apr. 12	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	856.98	855.25	860.27	857.93	860.45	870.50	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.12	84.14	84.08	84.27	84.21	84.35	85.90 (2/2)	84.08 (12/4)	—	—
Transport	231.81	231.88	232.82	230.96	231.25	233.35	235.25 (10/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	102.74	105.35	105.04	105.04	105.18	105.72	104.94 (6/4)	98.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	28,880	31,350	29,890	29,590	28,180	26,910	—	—	—	—

◆ Day's high 861.57 low 848.93

	Apr. 12	Apr. 6	Mar. 30	Year ago (approx)
Ind. div. yield %	5.58	5.65	5.74	5.86

STANDARD AND POORS

	Apr. 20	April 19	Apr. 18	Apr. 17	Apr. 16	Apr. 12	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	112.80	112.85	113.46	112.87	112.75	113.72	116.69 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.56 (30/6/32)
§Composite	101.23	101.28	101.70	101.24	101.12	102.00	103.34 (10/4)	96.13 (27.2)	125.85 (11/1/6)	4.40 (1/6/32)

	Apr. 18	April 11	April 4	Year ago (approx)
Ind. div. yield %	5.10	5.08	4.97	5.14
Ind. P/E Ratio	8.60	8.67	8.70	8.94
Long Gov. Bond Yield	9.04	9.06	8.99	8.30

N.Y.S.E. ALL COMMON

Apr. 20	April 19	Apr. 18	Apr. 17	1979 High	1979 Low
57.09	57.09	57.33	57.05	58.18 (10/4)	53.88 (27/2)

Rises and Falls	April 20	Apr. 19	Apr. 18
Issues Traded	1,872	1,900	1,895
Rises	561	604	933
Falls	726	819	498
Unchanged	491	477	464
New Highs	—	43	30
New Lows	—	18	15

MONTREAL	Apr. 20	April 19	Apr. 18	Apr. 17	1979 High	1979 Low
Industrial	244.88	245.01	244.29	244.48	250.81 (27/4)	219.19 (2/1)
Combined	248.08	248.41	247.97	247.77	250.98 (6/4)	225.80 (2/1)
TORONTO Composite	1464.2	1465.6	1456.9	1455.5	1475.1 (9/4)	1315.8 (2/1)
JOHANNESBURG Gold	244.0	245.9	252.8	229.4	280.7 (7/2)	228.4 (17/4)
JOHANNESBURG Industrial	312.8	311.8	310.6	301.7	325.0 (5/4)	270.5 (2/1)

	Apr. 23	Previous	1979 High	1979 Low
Australia (¶)	570.24	566.42	587.68 (19/3)	545.72 (2/1)
Belgium (‖)	109.84	109.15	105.58 (9/4)	98.50 (3/1)
Denmark (**)	96.21	96.18	96.56 (20/4)	88.32 (2/1)
France (††)	81.2	80.2	81.2 (23/4)	71.5 (15/2)
Germany (‡‡)	786.8	790.60	839.6 (16/1)	774.2 (28/3)
Holland (§§)	78.0	77.8	85.9 (24/1)	75.5 (21/3)
Hong Kong (¶¶)	534.86	534.47	568.90 (5/2)	493.83 (2/1)
Italy (‖‖)	75.87	72.98	78.46 (28/3)	68.38 (2/1)
Japan (a)	446.74	445.41	462.97 (31/1)	435.22 (10/4)
Singapore (b)	380.89	382.51	387.68 (11/4)	346.34 (23.2)
Spain (d)	(c)	102.78	111.88 (8/3)	93.05 (12/1)
Sweden (e)	385.13	383.81	401.34 (6/2)	362.05 (2/1)
Switzerld (f)	320.7	321.1	321.7 (17/4)	294.0 (3/1)

*Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

GERMANY ◆

Apr. 23	Price DM.	+ or —	Div. %	Yld %
AEG	60.3	—2.4	—	—
Allianz Versich.	460	—9	31.2	3.4
BMW	230.5	—1.5	28.12	6.1
BASF	138.9	+0.3	18.76	6.7
Bayer	141.9	+0.2	18.75	6.6
Bayer.Hypo	265	—2	28.12	5.3

TOKYO ¶

Apr. 23	Prices Yen	+ or —	Div. %	Yld %
Asahi Glass	359	+2	14	2.1
Canon	575	+5	12	1.0
Casio	806	+10	25	1.6
Chinon	375	+1	20	2.7
Dai NipponPrint	579	+4	18	1.6
Fuji Photo	680	+10	15	1.1
Hitachi	247	+1	12	2.4

AUSTRALIA

Apr. 23	Aust. $	+ or —
AOMIL (25 cents)	†0.65	......
Acrow Australia	†1.00	—0.10
AMATIL $1	†2.28	—0.01
Ampol Exploration	†1.40	......
Ampol Petroleum	†0.65	+0.01
Assoc. Minerals	†1.65	......

STOCKHOLM

Apr. 23	Price Kronor	+ or —	Div. Kr.	Yld %
AGA AB (Kr. 40)	188	+1	6	3.2
Alfa Laval(Kr.50)	128	......	6	4.7
ASEA(Kr.50)	66.5	......	5	7.5
Atlas Cop. Kr25	94xd	......	7	7.4
Billerud	56.5	......	—	—
Bofors	119	—1	5	4.1
Cardo	174	—1	5.75	3.3

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.374.20	1	3.50	1	4	—	—	F.372.50
AKZ C	F.27.50	—	—	1	4.90	—	—	F.30.50
AKZ C	F.30	90	2	—	—	—	—	"
AKZ C	F.32.50	46	1	8	1.70	3	2.50	"
AKZ P	F.30	10	1.10	—	—	—	—	"
ARB C	F.75	5	2.40	—	—	—	—	F.74.70
ARB C	F.80	—	—	5	1.10	—	—	"
EK C	$60	7	5⅛	—	—	—	—	$52⅝
HO C	F.30	—	—	5	5	—	—	F.32.10
HO C	F32.50	20	2	65	3.30	—	—	"
HO C	F.35	15	0.90	40	1.90	—	—	"
HO P	F.40	3	0.20	—	—	—	—	"
IBM C	$280	1	32¼	—	—	—	—	$306¼
IBM C	$300	5	17⅝	10	24⅞	—	—	"
IBM C	$320	11	7⅜	5	15	—	—	"
KLM C	F.100	28	15.20	31	16.90	—	—	F.115
KLM C	F.110	26	6.50	24	10.20	10	10.50	"
KLM C	F.120	35	3.50	23	5	10	7	"
KLM C	F.130	10	1.60	12	2.80	—	—	"
KLM C	F.140	2	0.50	10	1.30	—	—	"
KLM P	F.100	—	—	2	1.50	—	—	"
KLM P	F.110	5	3	6	3.50	—	—	"
KLM P	F.120	—	—	—	—	1	9	"
PHI C	F.22.50	50	3.80	14	4.30	—	—	F.26.10
PHI C	F.25	590	1.80	151	2.20	2	2.80	"
PHI C	F.27.50	187	0.50	218	0.90	78	1.40	"
PHI C	F.30	56	2	—	—	—	—	"
PHI P	F.25	55	0.60	65	0.80	—	—	"
PRD C	$40	10	1⅝	—	—	—	—	$35⅛
PRD C	$45	20	⅜	10	1⅛	—	—	"
RD C	F.120	5	17.50	—	—	—	—	F137.80
RD C	F.135	5	4	—	—	—	—	"
RD C	F.140	17	1.60	—	—	—	—	"
RD C	F.130	10	1.20	—	—	—	—	"
RD P	F.135	—	—	10	4.90	—	—	"
RD P	F.140	1	5	5	9	—	—	F.128.50
UNI C	F.125	5	4.80	—	—	—	—	"
UNI C	F.130	5	1.70	—	—	4	4.30	"
XON C	$60	10	¼	—	—	—	—	51⅞
		May		Aug.		Nov.		
BA C	$40	1	3	—	—	—	—	$41½
BA C	$46.10	20	½	—	—	—	—	"
XON C	$20	—	—	10	2¾	—	—	$21⅛

TOTAL VOLUME IN CONTRACTS 2185

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	13 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	15 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%. 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½% up to £25,000 10% and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

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We invite applications from candidates, aged 28-38, with a strong marketing, distribution and personal selling background. This sales experience must include at least 2 years selling to one or more of the three following markets: Building industry, architects and other specifying authorities; automotive industry; DIY and home improvement markets. It is unlikely that, the selected candidate, who will report to the Managing Director in Sweden, will have had exposure to all three of these markets, however, the brief will be to further develop and expand all these markets throughout the U.K. Essential qualities are to be self-motivated, to be able to produce results in tough markets, as well as having sound administrative abilities. Initial salary negotiable £12,000-£16,000 + results related bonus, company car, contributory pension, free life assurance, medical scheme, assistance with removal expenses if necessary. Applications in strict confidence under reference USD3917/FT to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

INTERNATIONAL BANK

West End

seek 27/32-year-old A.I.B. with Charged Security experience in Clearing Bank. Salary c. £5,500.

Contact: R. Webb,
Jnthn. Wren Personnel Consultants
623-1266.

SALES REPRESENTATIVE

Experienced representative is offered lucrative position with Midlands based specialist joinery company anxious to expand in London and the Home Counties. Good salary, commission and car provided. Write with details of past experience to Tony Etridge Consultants Ltd., Estate House, Byard Lane, Nottingham.

German Speaking Marketing Executive

Reqd. by fast expanding Int. Bank for N. European area. Salary c. £15,000. Must have in depth exp. in similar position. Ring for appointment:

VPN Employment Agency
01-283 6022/3

Managing Director

Cosmetics **£10,000 +**

Our client, located South West of London, is part of a German group and has a turnover in excess of £0.5m. The company manufactures and markets cosmetic and technical brushes and its products are used by most of the leading names in the cosmetic industry.

A Managing Director is now required to be responsible for the profitability of the company and for realising its full potential. This is a new appointment and the successful candidate can expect full support from Germany. Probably aged 30—45, applicants should have a record of achievement in a similar senior management role and be able to demonstrate the leadership qualities and business experience necessary to take on this challenging task. This experience will have been gained ideally in the cosmetic industry or in a similar relevant production background. Salary will be negotiable from £10,000 and benefits will match the seniority of the appointment.

The identity of candidates will not be revealed to our client without prior permission. Applications, quoting Ref: SMT837/FT, should give full career details and be sent to:

PA Management Consultants GmbH.,
Leuschnerstrasse 3, D-7000 Stuttgart 1, West Germany. Tel: Stuttgart 22 80 29 Telex: 722830

PA
A member of PA International

TEXACO

Business Planning Analyst

Texaco is a fully integrated major international oil company engaged in the full range of petroleum activities in the U.K. We are currently seeking an energetic and resourceful young business graduate to work in the Planning and Economics Group at our U.K. Head Office in London.

He/she will be engaged in applying management science, financial and marketing techniques to a wide variety of problem areas. He/she will also contribute towards Texaco's corporate planning activities and assist with a variety of other tasks undertaken by the department. On-line computer facilities are available.

The successful candidate is likely to be in his/her twenties, numerate and articulate and to have demonstrated abilities both through academic achievement, preferably including a post-graduate business administration degree, and some business experience.

A competitive salary and fringe benefits are offered. If you feel you can meet our requirements, write with brief details for an application form to:

Mrs. U.N. Colburn, Personnel Department, Texaco Ltd.,
1 Knightsbridge Green, London SW1X 7QS.

Liverpool City Council
INDUSTRIAL DEVELOPMENT AGENCY

WOULD YOU LIKE TO JOIN IN A NEW INITIATIVE AIMED AT PROMOTING INDUSTRIAL DEVELOPMENT IN THIS CITY?

If so you may be the person we are looking for to join the team we are forming.

To use the added powers that are available now to inner city partnership authorities, the City Council is setting up an Industrial Development Agency to encourage new investment throughout the city, but especially in the partnership area and its eight newly-declared improvement areas.

The Agency will be under the direct management of the Chief Executive, the City Treasurer, the City Planning Officer and the City Estates Surveyor. It will comprise three staff units working together with responsibility for marketing, financial appraisal and advice, development and environmental planning.

The financial appraisal and advice unit will comprise:—

SENIOR FINANCIAL ADVISER
£7,968-£8,715 (inclusive)

FINANCIAL ADVISER (2 posts)
£7,044-£7,788 (inclusive)

As an Adviser, you would have the key tasks of appraising the viability of projects and their eligibility for financial assistance under the Council's new scheme and of devising (and, if required, negotiating) an appropriate "package" of finance from other sources. The Senior Financial Adviser will also direct and develop the work of assistance and advice, and formulate the recommendations for assistance.

Apart from being suitably qualified in accountancy or banking, you would need to have experience in the appraisal of investment projects, and become fully conversant with the various public sector incentive schemes and with facilities available from financial institutions.

"Home-moving" allowances up to £1,250 payable, and temporary lodging allowance in appropriate cases.

Application forms and further particulars, returnable by 18th May, 1979, may be obtained from the Director of Personnel and Management Services, P.O. Box 88, Municipal Buildings, Dale Street, Liverpool L69 2DH (051-227 3911, Ext. 413)

Liverpool

Business Analysts

Uxbridge **to £8,000**

Candidates who are MBA's, numerate graduates or qualified accountants and are eager to join a fast moving organisation will find these vacancies of particular interest. Our clients are international leaders in a field which is competitive and involves rapidly changing technology. The quality of financial guidance in planning the Company's affairs and monitoring its performance is therefore crucial and has been recognised by an impressive record of promoting Business Analysts through the organisation (not necessarily within the finance function). The Company currently has vacancies in its Financial Planning and Control Department for business-minded people who can interpret and present information to aid management decisions. REF: 1102/FT
Apply to R.P. Carpenter FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

Depute Director of Estates

£9,753—£10,455

We are seeking a successor to the present Depute Director who is leaving to enter private practice.

Candidates should be Chartered Surveyors or equivalent, have extensive experience in all aspects of the profession including Industrial Development, and possess the executive qualities essential in dealing with the day-to-day administration of the department. Whilst Local Government experience would be an advantage, it is not essential.

We offer a salary in the range of £9,753 to £10,455; an essential user's car allowance; and assistance with relocation expenses where appropriate.

Application forms and further details are available from:—

The Director of Estates,
City of Edinburgh District Council,
375 High Street,
Edinburgh EH1 1QE.
Telephone 01-225 2424 Ext. 6204
(Mrs. Morrison or Mrs. Shand)

City of Edinburgh

The Drapers' Company

Applications are invited by 1st June, 1979, for the post of Clerk to the Drapers' Company.

The Clerk is the senior administrative officer and will be required to devote his/her whole time to the duties of the office.

Starting salary as Clerk will be in the region of £15,000 per annum, according to qualifications and experience.

Applicants should be preferably between 45 and 55 years of age.

The person appointed will be required to join the staff on 1st March, 1980, and to succeed the present Clerk on his retirement on 31st July, 1980, and will be eligible to join the Company's approved non-contributory pension scheme.

A statement of the Clerk's duties and a form of application may be obtained from the Clerk to the Drapers' Company, Drapers' Hall, Throgmorton Street, London EC2N 2DQ.

BANKING

MERCHANT BANKERS

London/Hong Kong

Crocker National Bank, a major West Coast United States financial institution with an expanding international presence, has opportunities available for two Merchant Bankers with demonstrated records of achievement and technical competence. One position will be based in Hong Kong and the other in London.

Crocker Bank has established a significant merchant banking record over the past several years. Crocker has made a fundamental policy commitment to expanding its priftable merchant banking business in Asia, Europe and Latin America. The level of business volume has now reached a point where additional professional staff is required.

For immediate consideration for either of these opportunities please send a summary of your background or curriculum vitae in strictest confidence to: Mr. Peter Phillips, Vice-President, Crocker National Bank, Merchant Banking Group, 34 Great St. Helen's, London EC3A 6EP.

CROCKER BANK
An Equal Opportunity Employer

SECRETARIAL APPOINTMENTS

PA Secretary

Chairman of Mayfair-based public company needs a first-class young person for this demanding position. The successful applicant should be aged 25-35 years, smart appearance, highly intelligent and self-motivating. Ideally the candidate will have previously been employed in a similar post.

Commencing salary of not less than £5,250 per annum will be offered.

Applications with curriculum vitae to Box 6748, Financial Times, 10, Cannon Street, EC4P 4BY.

SECRETARY PA
£5,000 + LVs

For the Chairman of Publishing Company, assisting with sales records and recruitment, will also be responsible for arranging luncheons and attending them. This is a job with involvement. 4 weeks holiday.
Adrianne Macintosh, 629 0111 after 8 pm ring Judy Roberts on 441 2470

CAN YOU ORGANISE?
£5,000

PA to this Director of Hairdressing Salon, you will be liaising with manufacturers and clients from Europe and USA. Emphasis is on admin. NO SHORTHAND. FREE HAIR-DO AND MEAL ALLOWANCE. Adrianne Macintosh, 629 0111, after 8 pm ring Judy Roberts on 441 2470

NEWLY QUALIFIED SOLICITOR NEEDS AUDIO SECRETARY
£4,500 + LVs

Legal experience a great help to assist this charming person. Someone dedicated who eventually will be senior. suit. 35-hour week, 4 weeks holiday.
Delightful company, hours to Adrianne Macintosh, 629 0111, after 8 pm ring Judy Roberts on 441 2470

ACCOUNTS CLERK
£4,500

For Bookkeeping experience up to trial balance bought and sales ledgers excellent chance for promotion would take part-qualified person. Four weeks' holiday.
Adrianne Macintosh 629 0111 after 8 pm ring Judy Roberts on 441 2470.

WHY NOT WORK TEMPORARY WHILST LOOKING FOR A PERMANENT JOB?

TOP SUMMER RATES NOW BEING PAID

Phone Carol Hodgkin on 01-629 0111
After 8 p.m. ring Judy Roberts on 01-441 2470

ALFRED MARKS STAFF BUREAU
487 OXFORD STREET W1
(2 minutes Marble Arch)

GRADUATE PREFERRE[D]
£5,000 + LVs

As general factotum to the senior Director needs to be numerate for recording market figures and maintaining graphs, also administration duties. DISCOUNT ON MEAT. 4 weeks holiday.
Elizabeth Slade, 584 8166

PUO PARLIARE L'ITALIANO E LIBREO PER VIAGGIARE
£6,000 + COMPANY CAR AND EXPENSES

Export Company, as his Secretary/PA, another languag[e] would be helpful. 5-star accom[mo]dation when going abroad + first-class travel. English Working for the Chairman of shorthand necessary. Super jo[b] for someone without ties.
Elizabeth Slade, 584 8166

ADMINISTRATOR
£5,000

For the Managing Director wh[o] needs capable person, will be arranging appointments and and expected to entertain VIP clients, some shorthand, own superb office, 4 weeks holiday.
Elizabeth Slade, 584 8166

DEPUTY CHAIRMAN NEEDS SECRETARY PA
£4,500 + FREE LUNCH

Needed for this hotel and restaurant group, will be arranging his travel, maintaini[ng] busy diary and holding fort in his absence abroad. Luxurious office and 4 weeks holiday.
Elizabeth Slade, 584 8166

TEMPS TEMPS TEM[PS]

NEW SUMMER RATES NOW BEING PAID
START NOW — LONG- A[ND] SHORT-TERM BOOKINGS
Phone Roni Norris on 01-584 8166

ALFRED MARK[S] STAFF BUREA[U]
62 BROMPTON ROAD SW[3]
(opposite Harrods)

Company Chairm[an]
(32)
of small commercial property gr[oup] requires efficient
Secretary/PA

Good working conditions in a[n] office. Salary £4,500-£5,000 acc[ord]ing to ability.
Apply:
Mr. Grogan, C.C.F. Ltd.
385, Euston Road, NW1.
or telephone 01-387 3814.

CHIEF FINANCIAL OFFICER

For New Swiss Trading Company

START UP OPERATION

Have LC and FX experience plus normal Treasury background. Swiss resident or work permit required, French/English required. Curriculum vitae and salary history/requirement to Box A.6745, Financial Times, 10, Cannon Street, EC4P 4BY.

LWT
London Weekend Television

WEEKEND WORLD

London Weekend Television's network current affairs programme will have vacancies on its production team from August this year. Applicants must be able to digest complex information and present arguments effectively. Experience of newspaper journalism is desirable but not essential.

Please write stating your qualifications and the reasons for your interest to Mrs. Joan Pugh, Staff Officer, London Weekend Television, South Bank Television Centre, Kent House, Upper Ground, London SE1.

Commitment and Flexibility—Autonomy
Autonomy and Drive—Growth

We as a medium-sized stockbroking firm—whose market share has risen markedly in the last 18 months—have a commitment to pursue those policies that have resulted in that expansion.

We have the flexibility of attitude necessary to provide key account executives with an environment in which they have considerable autonomy over their own activity.

We need, in order to capitalise on recent performance, to strengthen our institutional sale team further.

You could help fulfil that need if:—

—you are a self-starter and have the drive necessary

—you are aged between 25 and 35

—you have been servicing institutions from a broker's sales desk for about 2 years or more

—you expect to receive a £12,000 plus income p.a. largely derived from your own efforts.

Write with full C.V. to Box A.6747, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL APPOINTMENTS

Parliamentary Counsel

Work of Unique Interest and Importance for Able Young Lawyers

Parliamentary Counsel are specialists working in Chambers in Whitehall mainly on the drafting of government bills and related parliamentary business. In the preparation and passing of bills they are responsible for all questions of law and form, and may have to advise on parliamentary procedure. The duties include attendance at sittings of both Houses of Parliament and co-operation with officers of both Houses. Parliamentary Counsel also do similar work for the Law Commission.

The work is demanding, but it is also stimulating and is critical for the processes of law-making and of government. The posts provide a challenging opportunity for those seeking a career calling for a very high level of ability and legal skill.

Candidates, preferably within the age range 25 to 28, must be barristers or solicitors qualified in England. They should normally have practical experience (preferably professional but post-graduate academic acceptable) and have a good honours degree (which need not be in law) or show evidence of comparable intellectual ability.

Appointments are normally permanent and pensionable, but need not be permanent initially.

Salary, as Assistant Counsel, £8,345-£10,675: starting salary may be above minimum for those aged 29 or over. Promotion to Senior Assistant Counsel (£10,985-£12,795) should come within 5-7 years for the really able lawyer. All salaries quoted are under review.

There are further prospects to Parliamentary Counsel (max. £20,000): and the First Parliamentary Counsel carries a salary of £26,000.

There are up to 3 vacancies to be filled. Written details and application forms may be obtained from the Senate of the Inns of Court and the Bar, from the Law Society's Appointments Registry, from the Parliamentary Counsel Office, 36 Whitehall, London, S.W.1 (01-273 4468) or from the Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB (telephone Basingstoke 68551: answering service operates outside office hours). Any enquiries should be made of the Parliamentary Counsel Office. The closing date is 18 May 1979.
Please quote ref: G/5120/6.

BUXTON'S & M.M.B. LTD.

require an experienced

LOCAL AUTHORITY DEALER

Salary and terms negotiable

Please reply in strict confidence to:

The Managing Director, Buxton's & M.M.B.,
80, Cannon Street, London, EC4.

£6,000 accountancy appointments £9,000

Administration Manager

Hampshire c. £9,000 + car + benefits

This growth company provides a range of insurance and unit trust services. Development of products has been impressive and substantial system changes are in hand to meet increased volume. A mature manager is required to take over a major department in the Finance Division. The position gives the opportunity to join a highly regarded company and to live in a most pleasant part of Southern England.

Reporting to the Assistant General Manager – Finance, the Administration Manager will be responsible for a department of about 40, handling all aspects of premium collection and associated activities. Procedures are computerised and an important part of the job will be working with other departments and branches on system development.

The successful candidate will probably be in the age range 35-48. Experience must include management of a department with computer-based systems in insurance, banking, or a similar activity. A relevant professional qualification will be an asset.

Salary will be about £9,000 and other benefits include a car, non-contributory pension scheme and a mortgage subsidy scheme. Generous relocation assistance will be available. Candidates of either sex should apply in confidence giving an outline career history and quoting reference no. FT/99/G to:

TYLB

Turquand, Youngs & Layton-Bennett
Management Consultants
11 Doughty Street
London WC1N 2PL

Auditor

North London
c.£6,500p.a.

Lesney Products & Company Ltd., world renowned for their range of "Matchbox" toys, are currently seeking an Auditor to work at their corporate Headquarters in Southgate.

Reporting to the Group Internal Auditor, the successful candidate, male or female, will be involved in the audit of all Company accounting systems and procedures, both within the UK and abroad and therefore a limited amount of overseas travel will be necessary.

Applicants, aged 25+, should be finalists for an appropriate professional qualification (ACA, ACCA, ACMA) and possess a minimum of three years experience in financial and/or management accounts.

Commencing salary will be c. £6500 pa and benefits will include 22 days annual holiday, sick pay scheme and non-contributory pension and life assurance schemes. Assistance with further studies will be granted, and a generous relocation allowance will be paid where applicable.

Please apply to:–Rita Shires, Senior Personnel Officer, Lesney International Ltd., Lee Conservancy Road, Hackney London E9. Tel: 01-985 5533 ext. 3233.

MATCHBOX

ACCOUNTANT

Aggressive international freight forwarding company with offices in UK, USA and on the Continent, requires a Chartered or Certified Accountant with at least three years' experience, to manage its Accounts Department at Heathrow Airport. Knowledge of computers essential and knowledge of airline and freight forwarding operations an advantage.

Salary negotiable based on experience.

Written applications, stating qualifications and career to date to:

Box A.6737,
Financial Times,
10, Cannon Street,
EC4P 4BY.

All applications treated in strict confidence.

Accountancy Personnel

NEWLY QUALIFIED FOR MANAGEMENT ROLE WITH RENOWNED PUBLIC COMPANY

CITY £7.500 +

Much of the recent success of this diverse, very profitable group can be attributed to their highly effective Head Office management team which is currently seeking a new member. A young accountant simply could not gain wider or more worthwhile post-qualification experience. Ref. (Y) 0004.

PART QUALIFIED ACCOUNTANT

N.W. LONDON £7.500 + CAR

Rare opportunity for experience rather than qualification to be utilised fully as Company Accountant to a highly successful young manufacturing company, a subsidiary of an established group. Total control of day-to-day financial affairs and involvement on policy decisions, advice to Board, etc. Ref (Y) 0021.

MANAGEMENT ACCOUNTANT

S.W. LONDON £6,500 +

Useful opportunity for a young Unqualified Accountant to achieve early responsibility and success within this group, installing new systems and controlling monthly accounts. The company is young and rapidly growing so prospects are excellent. Ref. (G) 5468.

Telephone or write:
63/65 MOORGATE, LONDON, EC2. (01) 628 8438
53 VICTORIA STREET, LONDON SW1. (01) 222 0481
14 GT. CASTLE STREET, OXFORD CIRCUS, LONDON W1 (01) 580 8038

Accountant

West Sussex

Metropolitan Pensions Association (Holdings) Ltd. is the parent company of an international employee benefit consultancy group. This newly created appointment occurs at the group's administration centre in Chichester, West Sussex.

Responsible to the Group Financial Director, the successful candidate will assume responsibility for all routine functions of an Accounts Department which provides full central services for all group companies in UK and maintains liaison with overseas subsidiaries.

The appointment is expected to attract a recently qualified Chartered Accountant who is seeking to gain commercial experience. Salary negotiable in the region of £6,500.

Contact: Ms M. Corke, Metropolitan Pensions Association (Holdings) Ltd., Metropolitan House, Northgate, Chichester, West Sussex. Tel: Chichester 785151.

MPA

YOUNG GRADUATE ACCOUNTANT

c. £7,500

Senior line management positions within this go-ahead multinational corporation are real prospects within a short period. Your potential will be realised with a small team at headquarters. Financial Analyst, projects, acquisition studies, budgets and strategic plans. Excellent company benefits.

CONTACT URSULA ADER ON

01-828 8055

Churchill Personnel Consultants
Abford House, 15 Wilton Road,
London SW1V 1LT.

YOUNG FINANCIAL ACCOUNTANT

West London £8,000 neg.

As Financial Accountant with this public group, you will operate at both group and subsidiary level. Reporting to the Group Chief Accountant you will deal with the accounting function, and also take an active role in treasury and taxation matters, necessitating liaison with group companies and outside bodies.

A progressive salary and excellent career prospects, will appeal to a young accountant, either newly qualified or, possibly, with some experience outside the profession.

For information contact Keith Diver

Personnel Resources Limited 01 248 6321
Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

EXPERIENCED ACCOUNTANT REQUIRED

by young but rapidly expanding London group of companies to control all financial and accounting activities. Comfortable working conditions and good prospects. Salary negotiable.

Write with details to:
I. H. Ross
49 High Street
Barnet, Herts.
(Ref: F.C.B.M.)

GENERAL MANAGER

responsible to Directors for organisation and control of administration, including accounting function, of leading interior decorating, design and furnishing organisation based W1. Excellent remuneration and considerable job satisfaction in return for highly efficient, lively personality. Age 30-45.

Telephone 226 8881. Ref: SLZ.

THE INSTITUTION OF GAS ENGINEERS

FINANCE OFFICER

London to £9,279 p.a.

This professional engineering institution requires a qualified accountant with several years experience, preferably including administrative responsibility.

The successful applicant will be responsible to the Secretary of the Institution for all financial aspects of the organisation together with certain administrative duties.

Salary depending on qualifications and experience will be within the range of £7,338 to £9,279 p.a. including £502 Inner London Weighting and there are benefits associated with a progressive organisation.

Applications giving full details of experience, qualifications, and current salary to be sent to The Secretary, The Institution of Gas Engineers, 17 Grosvenor Crescent, London SW1X 7ES by 18th May, 1979.

ACCOUNTANT

required by electronics company in Welwyn Garden City to take charge of day-to-day accounts, budgeting and forecasting. The right applicant will have the opportunity to develop with this relatively small company as well as a responsible and rewarding job from the outset. Automation of the company's bookkeeping is currently being considered and D.P. knowledge would be helpful. Salary negotiable but probably in the region of £7,500. Reply in confidence to Box A.6745, Financial Times, 10, Cannon Street, EC4P 4BY.

AGGRESSIVE COST ACCOUNTANT

Fully experienced in the construction industry required for small but potentially fast growing company in this field. Retired person might also suit whose experience could take us to the next stage of our development. All replies acknowledged.

Write Box A6746, Financial Times 10, Cannon Street, EC4P 4BY.

£6,000 accountancy appointments £9,000

These appointments appeared in the Financial Times on 17th April. For full details see the F.T. of that date or telephone Julie Burgess on 01-248 8000 ext. 326.

JOB TITLE	SALARY	LOCATION	ADVERTISER
Young Qualified Accountant	—	Bermuda	The London Security Reinsurance Company
Financial Controller	£7,000	N.W. England	Financial Times Box A.6739
Internal Auditor	c£8,500	London	Smith Kline Corporation
Accountant	—	Heathrow Airport	Financial Times Box A.6737

GENERAL APPOINTMENTS

Banker for Bali

Required for a 2 year consultancy on the island of Bali, Indonesia.

The person we are looking for must be over 35 and could well be a deal older, must have lived for some time in a developing country and must have experience of branch banking and term lending to small businesses or farmers. The remuneration package includes generous tax free salary, free housing, medical care and air fares for consultant and family. Interviews can be held in London immediately and an early start to the project is envisaged.

For full information please write in confidence with brief details to:

Derek P. Collins
Managing Director
FRIDA Recruitment Services Ltd.
The Africa Centre
38 King Street
Covent Garden
London WC2E 8JT

Itek

Controller (UK)

A job for a Businessman/ Accountant in shirtsleeves.
c.£11,000 + car

ITEK. A growing international force in high-technology phototypesetting/platemaking equipment and systems for the graphic arts and printing worlds: a marketing-orientated company whose latest generation of advanced machines is fast making a major name in Europe.

As Controller for our United Kingdom operations, you can count on taking a strong lead in our expansion. Based in our Central London Offices and supported by a team of some 8 or 9 staff, you'll take charge of a job unusually wide in scope. With us, your responsibilities won't be tied to just financial accounting: inventory management, distribution, legal, tax and treasury matters will all come into your immediate concern.

Reporting to the General Manager (UK), you'll be the financial arm of our British enterprise. Ambitious, dynamic, hard-headed – we don't need to detail the qualities needed: you have them all, already; you've gained them in your extensive control experience – experience that has covered multinational companies and American reporting systems. If you are all this – as well as an exceptional man-manager of Chartered Accountant calibre – it sounds like you are the man or woman we need. Talk to us and we'll offer you the salary and benefits package you expect – and the career paths you need.

Telephone Phillip Rich on 253 3080 or write to him with your full CV at Itek Graphic Products (UK), Itek House, Mora Street, London, EC1V 8BT.

Top Executives

If you are finding your talents wasted – we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

SENIOR EXECUTIVES

Rapily expanding private company in the Professional Audio Equipment Industry, require a Marketing Director designate; a Technical Director designate; and a Production Director designate to help master-mind the future growth of company.

Ideally, candidates should have experience within the industry concerned but more important, a track record of proven achievement. The Company already possesses key professional personnel in other areas, and these appointments are seen as a strengthening of the existing team.

Salary and benefits are for negotiation but will not be a limiting factor for the right persons.

Application to Box A.6749, Financial Times, 10, Cannon Street, EC4P 4BY, for the attention of the Chairman.

ADMINISTRATOR/ OFFICE MANAGER

We are a small and fast growing company in W.4 with an interesting position for an ambitious self starter. Sound accounting experience essential, but motivation is more important than qualifications.

Telephone for further details 01-995 6724/6711

SENIOR EXECUTIVES

If you are in the job market now – we are here to help. Coutts Careers provide:–

- Excellent job search assistance.
- A thorough knowledge of the job market.
- Contact with top recruitment.
- Confidential and expert counselling.
- Superb Secretarial back up.

Telephone now for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings
Trafalgar Square,
London WC2.

WANTED

BUSINESS ORIENTATED AND PROFESSIONALLY (LEGAL) QUALIFIED MAN

aged 44 seeks "Anything Considered" position where ability to communicate at all levels will offer potential for challenging rewards. Willing to travel home or abroad. Good conversable French. (Of some independent means.) (Presently engaged but unstretched in undemanding routine of 36 hours p.w.—3 days 7 am-7 pm. Offers: Commitment and effort to best of ability and energies. Requires: £6 per hour basic rate plus car.

PUBLIC NOTICES

CLWYD COUNTY COUNCIL
£1m Bills, issued today due 24.7.79 at 11 1/16% p.a. Total applications £5m. Total outstanding £3m.

CLUBS

EVE, 189, Regent Street, 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 60 Dean Street, London W 1
NEW STRIPTEASE FLOORSHOW
"AS YOU LIKE IT"
11-3.30 am. Show at Midnight and 1 am Mon.-Fri. Closed Saturdays. 01-437 6455.

COMPANY NOTICES

UNILEVER N.V.

CERTIFICATES FOR ORDINARY SUB-SHARES OF FL.12 ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

NOTICE IS HEREBY GIVEN that EXCHANGES of Sub-Share Certificates in the name of Midland Bank Executor and Trustee Company Limited, now MIDLAND BANK TRUST COMPANY LIMITED, for Bearer Certificates and Unilever N.V. New York Shares and vice versa will be SUSPENDED from 11th May 1979 to 24th May 1979 inclusive.

Certificates will only be accepted for exchange after 24th May 1979 provided that all dividends declared prior to that date have been claimed.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

London Transfer Office,
Unilever House,
Blackfriars,
London EC4P 4BQ.
23rd April 1979.

TOYO MENKA KAISHA, LIMITED

9¼% GUARANTEED NOTES 1981

NOTICE IS HEREBY GIVEN that during the year ended 1st April, 1979, U.S.$1,000,000 principal amount of the above-mentioned notes were purchased for the account of Toyo Menka Kaisha, Limited under the terms of the purchase agency agreement by Morgan Grenfell & Co. Limited in their capacity as agent. As of 1st April, 1979 the principal amount of such bonds outstanding was U.S.$19,000,000.

DATED: 20th April, 1979
TOYO MENKA KAISHA, Limited

TRAVEL

GENEVA, Basle, Zurich and Berne, widest range of cheap flights from 4 UK dep. airports. Brochure, CPT Ltd., 01-351 2191. Telex 919078. ATOL 369B.

CONTRACTS AND TENDERS

Central African Power Corporation

ZAMBIA

Reinforcement of transformer capacity at Leopards Hill and Kabwe Substations, Zambia

INVITATION TO TENDER

Tenders are invited for the manufacture, supply, delivery, erection, commissioning and maintenance of the undermentioned electrical equipment for the Corporation's existing 330/88kV substations at Leopards Hill and Kabwe, Zambia.

CONTRACT S102
2—90MVA 330/88/11kV transformers for reinforcing the existing transformer capacity at Leopards Hill each complete with ancillary equipment including on load tap changing equipment, cooling equipment and marshalling kiosk.

CONTRACT S103
330kV switchgear equipment to modify and extend respectively the existing substations at Leopards Hill and Kabwe, complete with ancillary control and protection equipment.

CONTRACT S104
88kV switchgear equipment to modify and extend respectively the existing substations at Leopards Hill and Kabwe, complete with ancillary control and protection equipment.

CONTRACT S105
88kV cables complete with accessories and terminations for installation in the new transformer circuits at Leopards Hill and Kabwe.

Seven sets of tender documents for each contract are available for issue to each prospective tenderer against a non-refundable deposit of £35 per contract at the offices of Merz and McLellan, Amberley, Killingworth, Newcastle upon Tyne, NE12 0RS, England.

The original and two copies of each tender are to be lodged with:

The Chairman,
CENTRAL AFRICAN POWER CORPORATION
PO Box 233, LUSAKA, Zambia.

In the case of Contract S102 on or before 14.30 hours local time on Friday 1 June 1979 and in the case of Contracts S103, S104 and S105 on or before 14.30 hours local time on Friday 29 June 1979.

Two copies of each tender are to be forwarded to Merz and McLellan, Amberley, Killingworth, Newcastle upon Tyne, NE12 0RS, England.

Further information regarding the Contracts may be obtained from Merz and McLellan at the above address or from their LUSAKA Office, Woodgate House, Cairo Road, P.O. Box 1962, LUSAKA.

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LEGAL NOTICE

No. 00931 of 1979

In the HIGH COURT OF JUSTIC[E] Chancery Division, Mr. Registr[ar] Dearbergh. In the Matter of LEGA[L] AND GENERAL ASSURANCE SOCIET[Y] LIMITED and in the Matter of T[he] Companies Act, 1948.

NOTICE IS HEREBY GIVEN that [by] an Order dated the 4th April 1979 ma[de] in the above matters the Court h[as] directed a Meeting to be conven[ed] of the holders of the Shares of [...] each of the above-named Legal a[nd] General Assurance Society Limit[ed] (hereinafter called "the Society") [for] the purpose of considering and [if] thought fit approving (with or witho[ut] modification) a Scheme of Arrangeme[nt] proposed to be made between t[he] Society and the holders of its sa[id] Shares and that such Meeting will [be] held at Temple Court, 11, Que[en] Victoria Street, London EC4N 4TP, [on] Wednesday the 16th May 1979 [at] 2.40 o'clock in the afternoon or [as] soon thereafter as the Annual Gener[al] Meeting of the Society convened f[or] the same date and place shall ha[ve] been concluded or adjourned at whi[ch] place and time all such Shareholde[rs] are requested to attend.

ANY person entitled to attend t[he] said Meeting can obtain copies of t[he] said Scheme of Arrangement, forms [of] Proxy and copies of the Stateme[nt] required to be furnished pursuant [to] Section 207 of the above-mention[ed] Act at the registered office of t[he] Society situate at Temple Court, 1[1,] Queen Victoria Street, London EC[4N] 4TP, and at the offices of the unde[r]mentioned Solicitors at the addre[ss] mentioned below during usual busine[ss] hours on any day (other than a Saturd[ay,] a Sunday or a Public holiday) pr[ior] to the day appointed for the sa[id] Meeting.

The said Shareholders may vote [in] person at the said Meeting or they m[ay] appoint another person, whether [a] Member of the Society or not, as th[eir] Proxy to attend and vote in their stea[d].

It is requested that forms appointi[ng] Proxies be lodged with the Secreta[ry] at the registered office of the Socie[ty] situate at Temple Court, 11, Que[en] Victoria Street, London EC4N 4TP, n[ot] less than 48 hours before the ti[me] appointed for the said Meeting b[ut] if forms are not so lodged they m[ay] be handed to the Chairman at t[he] said Meeting.

In the case of joint holders the vo[te] of the senior who tenders a vo[te] whether in person or by proxy w[ill] be accepted to the exclusion of t[he] votes of the other joint holders a[nd] for this purpose seniority will be det[er]mined by the order in which the nam[es] stand in the Register of Members [of] the Society.

By the said Order the Court h[as] appointed Robert Andrew Inskip, Vi[s]count Caldecote, D.S.C., or failing hi[m] Thomas Lloyd Robinson, or failing hi[m] Ronald Hugh Peat to act as Chairm[an] of the said Meeting and has direct[ed] the Chairman to report the resu[lt] thereof to the Court.

The said Scheme of Arrangement w[ill] be subject to the subsequent approv[al] of the Court.

Dated this 23rd day of April 1979.
SLAUGHTER AND MAY,
of 35, Basinghall Street,
London EC2V 5DB
Solicitors for the Society.

PERSONAL

After their husbands have gone must war widows carry on the fight?
Many of today's war widows, both old and young, need food and fue[l] to maintain homes and look afte[r] families. The annual Poppy Appea[l] is not enough to provide thos[e] needs. Please send donations to:
British Legion
Appeals Department
Maidstone, Kent ME20 7NX

IN BEREAVEMENT—send your tribute [in] a form that never fades with a don[a]tion to help old people in need. HE[LP] THE AGED, Room 15, 32, Dover Stre[et,] London W1E 7JZ.

BUSINESS AND INVESTMENT OPPORTUNITIES

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COMMODITIES and AGRICULTURE

Land report out after Election

By Our Commodities Staff

THE NORTHFIELD Committee's long-awaited report on agricultural land ownership in the UK is not likely to be ready until after the General Election. Final amendments are now underway, but the report is not expected to be handed to the Agriculture Minister until early next month and will not be published before June.

The report, said to be the most comprehensive survey of land ownership in Britain since the Domesday Book, was commissioned by Mr. John Silkin, the Agriculture Minister, 18 months ago when it was expected that the inquiry would take no more than a year.

But the subject has proved more complex than was anticipated and the report has therefore taken longer to prepare.

The inquiry was prompted by the Minister's concern about the amount of institutional buying of farmland by insurance companies, pension funds and foreigners who saw it more as an investment than an agricultural enterprise.

Latest estimates suggest that 10 per cent of all British farmland is now owned by institutions. Farmers claim they are being badly hit because the pressure to buy farmland as an investment is forcing up prices.

New pig disease outbreak

By Our Commodities Staff

A NEW outbreak of swine vesicular disease was confirmed at a farm at Dodworth, South Yorkshire, yesterday. The pigs involved are bein gslaughtered.

This is the 33rd case since the wave of outbreaks began on February 8. So far 35,700 pigs have been killed and compensation totalling £1.6m has been paid to farmers.

Aluminium output rises

Primary aluminium production in March, as reported by members of the International Primary Aluminium Institute (IPAI), was 996,000 tonnes compared with 901,000 in February and 962,000 in March, 1978.

Average daily production was 32,100 tonnes against 32,200 in February and 31,000 in March, 1978.

Nickel futures debut on London Metal Exchange

BY JOHN EDWARDS, COMMODITIES EDITOR

MUTED CHEERS greeted the first trading session of the nickel futures market on the London Metal Exchange yesterday morning.

Trading got off to a slow, but solid, start with a turnover of 720 tonnes (130 lotes) during the day's three "rings" with most of the action coming in the opening session.

But there was some good pre-market trading before the first "ring" dealings, and supporters of the new contract professed themselves very pleased with the start.

There was less excitement compared with the launch of the aluminium contract in ctober, which was the first new market for 10 years. But it was claimed that interest in nickel was widespread, both amongst the trade and speculators, who are watching developments with special attention because of the fall in surplus stocks, and rising prices, as a result of the seven-month old strike at Inco's Sudbury mines.

The market took some time to settle down with early trading starting at more than £2,800 a tonne before prices came down by the close to £2,757.5 a tonne. Trading at present is confined to three months ahead only until the first delivery dates fall due in July when cash prices will start to be quoted too.

It is recognised that the Metal Exchange price will probably have to be at a premium to the official producer quotations to attract sufficient stocks to the LME warehouses. The closing price of £2,757 yesterday compares with the producer price equivalent of £2,696 for refined nickel. But the LME price is ex-warehouse, sellers' option, whilst the producer quotation is delivered to the customers' works.

Inter Commodities — in a special report on the outlook for nickel, issued yesterday—forecast that prices should continue to move upwards to reflect rising demand, the fall in stocks and historically low prices.

It pointed out that predicated supply deficit this year of 265m lbs, as a result of output falling to 985m lbs, would reduce stocks to "normal" levels by mid-year.

Other metal markets on the Exchange were fairly subdued yesterday. There was a bigger than expected fall in copper stocks held in the LME warehouses, which declined by 5,050 tonnes, reducing total holdings to 238,650 tonnes.

China cancels wheat purchases

BY OUR COMMODITIES STAFF

RECENT cancellations of Chinese wheat purchases from the U.S. suggest China is turning to other suppliers but also may have ordered more wheat than it required, according to grain trade sources in Chicago, reports AP-Dow Jones.

China has cancelled an order for 525,000 tonnes of U.S. wheat, but some of this has been switched by shippers for delivery to the Soviet Union.

It is believed that China has been able to obtain more competitively priced wheat elsewhere, notably under long-term contracts from Australia and Canada, as well as Argentina and rance. But it is thought China may have overbought and also be having difficulties in transporting grain imports from the ports.

Even with the cancellations China has bought some 4m tonnes of U.S. for delivery in 1978-79, and 3m tonnes of corn (maize), as well as further quantities for shipments in 1979-80. In the meantime the Soviet Union has stepped up its purchases to nearly 2.5m tonnes of wheat and more than 5.5m tonnes of corn.

In Saskatoon, Mr. Otto Lang, Canadian Wheat Board Minister, said he will discuss co-ordination of wheat production and marketing policies with U.S. Agriculture Secretary, Bob Bergland, at their May 10 meeting here.

"I am satisfied that all major exporters share the common objectives of improving co-operation and, indeed, am hopeful that our counterparts from Argentina and Australia will be able to attend the meeting."

It was confirmed in Sydney that Australia will send a delegation to the wheat producers' meeting on May 10, but Trade and Resources Minister, Doug Anthony, will not be able to attend.

A senior Trade and Resources Department official will lead the delegation, and Australian Wheat Board chairman, Leslie Price, may also accompany it.

A spokesman for Mr. Anthony said Australia would be willing to listen to ideas on stabilising world wheat trade but, he added, it had been consistently against any proposals for a wheat exporters' cartel.

Australia believed any form of agreement on wheat trade could not work without the participation of consumers as well as producers.

Cow slaughter urged

BY A CORRESPONDENT

THREE MILLION dairy cows on the Continent must be slaughtered, if the Common Market's milk surplus is to disappear.

That is the view of Mr. Jim Scott-Hopkins, a member of the present European Parliament, with special responsibility for agriculture, since 1973. He is the man Mrs. Thatcher has asked to lead the Party's Euro group if he is successful in June's direct election.

He told Worcestershire farmers: "We have a 3m cow surplus on the Continent. They must be taken out of production at the rate of 1m a year. Only then will you begin to see the end of the European milk surplus."

Mr. Scott-Hopkins stressed that the Common Market would have to make the cash incentives very tempting if thousands of milk producers were to be persuaded to sell their animals for slaughter.

But the savings on money now being spent on storing the present milk surplus would be colossal. The scheme would pay for itself in five years, he claimed.

Bigger cocoa crop forecast

By Richard Mooney

LONDON MERCHANTS Gill and Duffus now expect world cocoa bean production to exceed consumption by 63,000 tonnes in the 1978-79 season. This compares with an earlier forecast in February which put the surplus at 42,000 tonnes.

The net world crop is now estimated at 1,452,000 tonnes, 41,000 tonnes more than in February, mainly because of improved production prospects in Brazil and the Ivory Coast. The latest Gill and Duffus report estimates the Brazilian crop at 294,000 tonnes, 18,000 more than in February, and the Ivory Coast's at 315,000 tonnes, a rise of 20,000 tonnes.

A 20,000 tonnes rise in expected bean grindings is also largely due to these two countries. Brazilian grindings in 1979 are forecast at 145,000 tonnes against 136,000 in February, and Ivory Coast grindings at 60,000, up 5,000. Forecast grindings in leading consuming countries are virtually unchanged from the February report.

On the London futures market yesterday cocoa prices continued last week's rally in early dealings with the July position climbing to £1,645 a tonne at one stage.

But producer country selling, particularly from Ghana and the Ivory Coast, was attracted at this level and July cocoa slipped back to £1,590 a tonne before closing £1 down at £1,609.5 a tonne.

Big Yugoslav purchase

LONDON coffee traders believe Yugoslavia purchased more than 21,000 tonnes of coffee at last week's buying tender.

Traders, quoting from their own private sources, said the quantity of coffee purchased covered most of the producing but figures being mentioned had no official backing.

The quantities believed to have been purchased included 6,600 tonnes from Central American producers, 3,800 tonnes from Colombia, 3,000 tonnes from Ethiopia, 1,900 tonnes from Brazil and 1,300 tonnes from Cuba.

Traders said it was believed the average price paid was around 142.70 cents per pound f.o.b.

Reuter

NEW ZEALAND WOOL

Stockpile halved as demand jumps

BY DAI HAYWARD IN WELLINGTON

THE LAST 14 sales of the New Zealand wool season in the next eight weeks are crucial in deciding whether the NZ Wool Board makes a substantial profit on sales from its wool stockpile or whether it will have to be content with a more modest profit.

The Board began the current season last July with a stockpile of more than 200,000 bales. Between July and January it had to buy another 3,621 to maintain the intervention price level it set at the start of the season.

However, at other sales it was able to feed stockpiled wool on to the market at a modest profit. Disposals from the stockpile accelerated this year with the big jump in demand which caused sharp price increases in February, March and early April.

By the Auckland sale on April 8 the Board had sold 100,000 bales — more than half of the original stockpile.

Every bale was sold at a profit, and by early April the Board had already made a comfortable NZ$1m profit on its trading activities this season. Significantly, every 1,000 bales sold returned a higher profit margin than the preceding one.

If demand is sustained — and the Board believes it will be — until the end of the season in June, further sales from the stockpile will bring ever-increasing profit margins and better returns.

By early April most of New Zealand's fine wool from the current season's clip had been sold. This was reflected in auction prices for the first reasonable quantity of fine wool —the first offered for a few sales.

The Board is ready to feed more wool from its stockpile into the auction system if it decides the market will absorb this and still maintain the current high price levels. If it does then profit to the Board from buying and selling this season will be substantially greater than that already recorded.

The big jump in prices in February and March, after eight months of relatively stable price levels vindicated NZ wool industry opinion, and the decision of the New Zealand Government to set a minimum domestic price of 205 cents a kilo for the season.

This minimum provided a base to the market and sales were steady at just above the Government-set level.

Then in February the market took off—soaring high above the minimum price—fully confirming the Board's and New Zealand's earlier confidence in wool prospects.

Prices may dip a little at the last few sales of the season because now mainly only coarser and shorter wools are left to come on to the auction floor. If demand for fine wools keeps the upward pressure on prices the Board will release even more supplies from its stockpile.

So prices and demand in the closing sales of this season will be crucial in determining the Board's final profit. The $NZ1m profit already achieved could quickly and easily escalate into several million dollars.

Big fall in UK tea imports

BY OUR COMMODITIES EDITOR

UK IMPORTS of tea plunged last year to the lowest total since 1950, and Kenya was the biggest supplier for the first time ever, according to estimates by the International Tea Committee.

Provisional figures, compiled by the Committee, show that UK gross imports of tea fell to 177,811 tonnes, 65,170 tonnes down on 1977. Re-exports declined as well to 28,717 tonnes against 34,847 tonnes previously, but net imports were still 59,000 tonnes lower at 149,094 tonnes.

The main sufferer was India, whose shipments to the UK were cut by 51,430 tonnes to a lowly 33,303 tonnes. This was the result of the Indian export curbs and duties making Indian tea uncompetitive and discouraging buyers.

Meanwhile, Kenyan exports to the UK continued their steady climb increasing to 46,382 tonnes against 43,918 tonnes in 1977. Malawi too sent more tea to Britain, 18,715 tonnes; but Sri Lankan sales dropped by 4,714 tonnes to 20,335 tonnes.

UK stocks of tea fell during 1978 but there seems little doubt that consumption was hard hit, especially after the controversial Price Commission report that caused a hiatus in tea-buying. It is estimated per capita consumption fell to 2.98 kilos—against 3.25 in 1977 and 4.18 in 1967.

On an international scale there was a slight rise of just over 1 per cent in world production to 1,048m kilos, compared with 1,037m kilos in 1977. The main increase was in India where the crop was 10m kilos up at 571m kilos. There were rises too in Kenya, up 7m kilos to 93m kilos, and Indonesia, up 8m. kilos to 71m kilos. The main downturn was in Sri Lanka whose crop fell by 10m kilos to 199m kilos.

Indian domestic consumption is estimated to have risen to 325m kilos. But a general fall in world demand for tea, led by the UK, indicates that there was a surplus supply of some 100m kilos at the end of 1978. Particularly disappointing for the tea producers is that consumption in the U.S. fell back to 78m kilos last year after jumping to 92m kilos in 1977.

Quantities sold via the London auctions in 1978 were only slightly lower at 95,725 tonnes, against 96,904 tonnes in 1977. But the average price received declined sharply to 113.69p against 156.33p in the previous year, reflecting the surplus of tea available.

India has now removed its export restrictions and duties and is expected to regain its position as chief supplier to the UK market. Although domestic consumption in India is expected to rise again, world output is expected to rise and prices remain depressed by surplus supplies.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Held steady in routine trading on the London Metal Exchange with forward metal easing from £987 to £984 on the early pre-market before rallying to £994 on the bigger than forecast stocks decline. In the afternoon the market traded quietly prior to closing the late kerb at £991. Turnover, 19,675 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	986.5-7.5	......	984-.5	—.25
3 months	992.5-3	......	991-.5	+.75
Settl'm'nt	987.5	......	—	......
Cathodes				
Cash	[illegible]	—3	990-1	—.5
3 months	987-8	—3	987-8	......
Settl'm'nt	992	—5	—	......
U.S. Smt.	—	......	*98-103.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £987, three months £990, 91, 91.5, 91, 92, 91.5, 92, 92.5, 93. Cathodes: cash £992, three months £989, 88, 87. Kerbs: Wirebars three months £992, 93, 93.5, 94, 93.5. Afternoon: Wirebars cash £983, 84, three months £992, 91.5, 89, 90, 90.5, 90, 91, 91.5, 91. Cathodes: cash £990. Kerbs: Wirebars three months £994, 93, 92.5, 92, 91.5, 92, 91, 90, 90.5, 90, 91, 90.5, 90.

TIN—Easier on balance. Forward metal opened lower at £7,140, despite the strength of the Penang market, reflecting the absence of any fresh buying interest and eased further to £7,120 following hedge selling. The backwardation continued to widen owing to a smaller than expected increase in stocks. In the afternoon forward metal came under fresh selling pressure and weakened to £7,055 before closing at £7,065. Turnover, 1,010 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7440-60	+75	7410-30	—59
3 months	7130-60	—38	7120-50	—55
Settlem't	7460	+80	—	......
Standard				
Cash	7440-60	+75	7410-30	—59
3 months	7110-30	—5	7100-10	—59
Settlem't	7460	+80	—	......
Straits. E.	‡$1978	+32	—	......
New York	—	......	—	......

Morning: Standard cash £7,450, three months £7,130, 20. Afternoon: Standard cash £7,470, 50, 40, 30, three months £7,100, 7,090, 7,100. Kerbs: Standard three months £7,070, 60, 55, 60, 70.

LEAD—Modestly firmer reflecting the steady performance of copper. After opening around £504 forward metal rose to £510 before easing back to close the late kerb at £505. The £509 level attracted some profit-taking following the slightly higher than forecast stocks increase. Turnover, 5,325 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	536-7	+4	529-31	+4
3 months	509-10	+5.25	505-6	+5
Sett'ment	537	+4	—	......
U.S. Spot.	—	......	*48	......

[illegible]

COCOA

Cocoa futures were initially steadier before easing throughout the day in thin trading conditions, reports Gill and Duffus.

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 23 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cs)	$1,540-60	......	$1,580/60
Copper			
Cash w'bar	£984.25	—0.25	£1,053
3 mth	£991.25	+0.75	£1,065.75
Cash Cathode	£990.5	—0.5	£1,043.5
3 mth	£987.5	......	£1,055.5
Gold troy oz.	$235.625	+0.5	$245.525
Lead cash	£530	+4.0	£563.5
3 mth	£505.5	+5.0	£531.5
Nickel	£2750.09	......	£2,523.14
Freemkt(cif)(lb)	252/70	+1.0	240/45c
Platin'm tr'y oz	£159	......	£164.5
Free mkt	£188.7	—0.4	£198.95
Quicksil'ver	$267/77	......	$250/60
Silver troy oz	355.35p	—0.45	375.65p
3 months	364.75p	—0.25	385.25p
Tin cash	£7,420	—50.0	£7,417.5
3 mths	£7,105	—50.0	£7,312.5
Tungsten	$137.42	......	$137.61
Wolfrm 22.04 cif	$133/38	+1.5	$135/40
Zinc cash	£374.25	—0.75	£399.5
3 months	£386	—0.25	£411.5
Producers	$800	......	$800
Oils			
Coconut (Phil)	$1,140y	—20.0	$1,012.5
Groundnut	‡		‡
Linseed Crude	£408	......	£441
Palm Malayan	$660v	......	$674
Seeds			
Copra Philip	$740q	......	$690
Soyabean (U.S.)	$303x	—2.45	$319.15
Grains			
Barley Futures	£86.85	+0.35	£86.55
Maize			
French No 3 Am	111.0r	—1.0	£110
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	£90
Eng. Milling †	£101.5	......	£103*
Other commodities			
Cocoa ship't	£1,665	—2.0	£1,714
Future July	£1,609.5	—1.0	£1,678.5
CoffeeF't'rJuly	£1,538	+9.5	£1,474.5
Cotton A'index	73.4r	—0.1	75.6c
Rubber kilo §	61.75p	+0.75	60.5p
Sugar (Raw)	£94	......	£105
Wooltp's 64s kl	285p	......	288p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. April-June. u June. x Per ton. z Indicator. § Buyer.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 254 tonnes. Slightly more activity developed, although users were still reluctant to look far ahead. Attention was chiefly centred on African and Latin American styles, with modest support in Turkish and Russian.

WOOL FUTURES

[illegible]

Copper conference

A CONFERENCE on markets for copper and copper alloys is to be held in London on October 16.

Organised by the Copper Development Association and the Commodities Research Unit, it will examine prospects in electrical engineering, building and construction and marine engineering. Also considered will be new technology, prices of competing materials and systems and future supply prospects.

EUROPEAN MARKETS

● Commodity market coverage in these columns is being extended to include French sugar, cocoa, coffee, soybean meal and wool market closing prices. More U.S. futures markets will also be covered including silver, live cattle, hogs, eggs, pork bellies and plywood from Chicago and orange juice and potatoes from New York.

ROTTERDAM, April 23.

Maize—U.S. No. Three Corn Yellow afl $126.50, April $126, May $126, June $125.50, July/Sept. $125.50, Oct./Dec. $125, Jan./March $132.

Rye—U.S. No. Two Canadian Western unquoted.

Oats—All unquoted.

Sorghum — U.S./Plate spot $119, April/May $108, May $111, June $112.

Barley—1/2 Can Feed April $112.50, May $112.50.

U.S. No. Two dark hard winter wheat 13.5 per cent unquoted. U.S. Hard Winter wheat ordinary April/May $152, June $151, July/Aug. $149. U.S. No. Two Red Winter wheat June $148, July $145, Aug. $146. U.S. No. Two Northern Spring wheat 14 per cent April/mid-May $154, May $152.25, June $149.50, July $148, Aug. $147.50.

PARIS April 23.

Cocoa (FFr per 100 kilos)—May 1,408/1,411, July 1,410 bid, Sept. 1,437/1,439, Dec. 1,465/1,475, March 1,470/1,525, May 1,480/1,535. Sales at call 1. Accumulative total 93.

Sugar (FFr per 100 kilos)—July 893/894, Aug. 909/910, Oct. 955/960, Nov. 962/962, Dec. 995/1,000 March 1,045/1,052, May 1,050/1,070, July 1,060/1,080. Sales at call 4.

INDICES

FINANCIAL TIMES

Apr. 20	Apr. 19	M'nth ago	Year ago
269.38	269.29	271.85	239.77

(Base: July 1, 1952=100)

MOODY'S

Apr. 20	Apr. 19	M'nth ago	Year ago
1043.4	1045.5	1067.0	899.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 20	Apr. 19	Month ago	Year ago
Spot	384.84	382.61	380.90	360.66
F'tur's	386.66	384.47	386.78	352.94

(Average 1924-25-26=100)

REUTERS

Apr. 23	Apr. 20	M'nth ago	Year ago
1549.5	1548.1	1574.1	1460.6

(Base: September 18, 1931=100)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on week ending April 12. GB cattle 74.03p per kg l.w. (+1.47); UK sheep 189.1p per kg est.d.c.w. (+9.3); GB [illegible]

[illegible]

CORAL INDEX: Close 539-544

COMPANY NOTICES

Redemption of Swiss Railways 3% bonds, 1890

By virtue of the Federal Council's authorisation of 25th September 1978 the Federal Finance and Customs Departments has decided, pursuant to the terms of the loan, to give notice that the Swiss Railways 3% bonds, 1890, totalling 69,333 million Swiss francs, will be redeemed on 1st May 1980.

Interest rights will expire on that date. Redemption will be free of charge and at par on presentation of the bonds accompanied by all coupons which have not yet matured—that is to say, those which will mature on or after 1st September 1980—at branches of the Swiss National Bank and institutions belonging to the Issuing Consortium of Swiss Banks or the Union of Swiss Cantonal Banks.

Berne, 19th March 1979 Federal Finance Administration

Published in the Federal Bulletin of 3rd April 1979 and in the Swiss Official Trade Bulletin of 23rd March 1979.

Election uncertainty stifles fresh demand for equity leaders and 30-share index eases 2.7 to 536.0

Account Dealing Dates
Option

First Dealings	Declara-tions	Last Dealings	Account Day
Apr. 9	Apr. 19	Apr. 20	May 7
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30

* "New time" dealings may take place from 9.30 am two business days earlier.

Widely differing weekend opinion polls, particularly Mori, suggesting that part of the electorate is still very much undecided stifled any chance of Friday's late burst of buying enthusiasm for leading Industrials being extended when the new Account, which embraces the general election, opened yesterday.

Although some of the equity leaders encountered sporadic two-way trading, the prevailing uncertainty kept business down to a low level and the resulting absence of overall support prompted a gentle price down-drift. This was reflected in the FT 30-share index which gradually eased to record a loss of 3.2 at 2 pm before picking up a little to close 2.7 off on the day at 536.0.

Much of the day's activity in secondary issues was directed to weekend Press tips and companies announcing trading results. Conditions overall were rather quiet, but there was an improvement in official bargains, which totalled 5,043 compared with 4,182 last Friday.

Early buyers of long-dated Government stocks were not put off by the differing weekend opinion polls and were encouraged to some degree by the early firmness in the sterling exchange rate. Gains extending to ½ appeared within the first hour of trade and, although subsequent business was extremely small, the improvement was fully held. The shorts, however, failed to follow and later drifted a shade easier on occasional selling.

Influenced by the successful conclusion of the Rhodesian internal settlement election, Southern Rhodesian bonds strengthened a few points, the 2½ per cent 1965-70 closing three points up at £68.

Inquiries for investment currency were relatively light but largely through the efforts of one institutional buyer in the morning session the premium went higher to close 1½ up at 55¾ per cent. Yesterday's SE conversion factor was 0.8099 (0.8173).

Marks and Spencer were again the dominant issue in Traded options contributing 266 deals towards a total of 1,158, which was slightly below last week's average of 1,302. **Courtaulds**, 131, and **RTZ**, 121, were also lively.

HPs firm

Hire Purchases came in for a fair amount of support in an otherwise quietly firm banking sector. **Lloyds and Scottish** stood out with a speculative rise of 7 to 132p, while **UDT** hardened a penny more to 53p, after 54p on bid hopes; the latter's 16 per cent Convertible Loan 1979-81 gained 6 points to £156. **Provident Financial** ended a shade better at 115p, after 119p, following the results. In Merchant banks, fresh investment support lifted **Mercury Securities** 2 more to 163p, while **Kleinwort Benson** hardened a similar amount to 128p and **Hill Samuel** added 3 at 107p. **Corinthian**, however, softened a penny to 39p, after 38p, on mild disappointment with the preliminary figures.

With the exception of *London United Investments*, which lost 5 to 172p in reaction to the disappointing results, Insurances gained ground. **Sun Alliance**, 638p, and **Phoenix**, 276p, firmed 8 and 6 respectively.

Leading Breweries opened firmer, but in a quiet business eased from the top. **Whitbread** closed 3 up at 139p and, among secondary issues, **Belhaven** attracted a fair level of inquiry to end 2 better at 55p. In Distilleries, **Sandeman** eased 2 to 68p awaiting today's annual results.

Rugby Portland Cement's annual results were deemed slightly disappointing and the price after initial progress slipped back to Friday's level of 75p. Among other Building issues, weekend Press comment prompted fresh speculative interest in **Parker Timber**, which advanced 17 to 172p, after 175p, and also stimulated demand for **Royco**, up 3 at 62p. **William Whittingham** encountered a virtual one-way trade and rose 6 to 87p, while demand in a limited market lifted **Cocksedge** 12 to 100p. The chairman's optimistic remarks about current trading left **Richards and Wallington** 4½ to the good at 85p xd and, awaiting Friday's annual results, **Tarmac** improved 4 to 192p. Elsewhere, **Taylor Woodrow** and **SGE** added 5 apiece to 413p and 260p respectively.

A penny or so higher in the early trade, **ICI** subsequently settled at the overnight level of 402p, but **Fisons** pushed up another 4 to 300p. The lower annual profits, however, prompted a sharp reaction in **Revertex**, which gave up an initial rise of 4 to close 5½ down on balance at 57½p. **Allied Colloids** added 5 to 119p on Press comment.

Secondary issues provided the focal points in Stores. **Lee Cooper** became an active market and closed 10 higher at 305p, after 308p, on hopes that the annual results, due to be announced next month, will be good. **Bambers** jumped 17 to 275p in response to Press comment, while **Home Charm** improved 6 to 350p and **Maple** 2½ to 29p xd for similar reasons. **Queen Street**, dealt under special rule 163 (E), firmed 2½ to 7½p, after 8p, also after an investment recommendation. **MFI Furniture** rose 12 to 375p and **Hardy (Furnishers)** put on 8 to 68p. **Time Products** improved 9 to 253p and **Harris Queensway** advanced 8½ to 248p xd. By way of contrast, **Wallis** were sold down to 98p before closing 7 off on balance at 100p. Of the quietly dull leaders, **Woolworth** relinquished 2 to 83p, after 82p, on the announcement that Brascan's bid for the American *parent has been blocked pending* a New York State investigation.

Electricals closed occasionally firmer but the volume of business was small. **Sound Diffusion** were wanted at 109p, up 8, while **AB Electronic** added 6 at 240p and **Comet Radiovision** rose 3 to 149p. **Thorn** improved 5 to 484p among the leaders, but **EMI**, 131p, and **GEC**, 420p, softened a penny apiece.

Apart from **Vickers**, which firmed 4 to 201p in response to sporadic demand ahead of Thursday's preliminary statement, the trend in leading Engineerings was to slightly lower levels. **Hawker** eased 4 to 252p and **Tubes** shaded a few pence to 408p. Among secondary issues, the profits setback prompted marked dullness in **Clayton Son**, down 10 at 70p, but favourable weekend Press mention stimulated buying interest in **Northern Engineering**, which gained 3 to 133p. Others to improve on Press comment included **Delta Metal**, 84½p, and **Glynwed**, 119p, both around a penny better. **Hall Engineering** encountered support at 140p, up 6, along with **Expanded Metal**, similarly dearer at 86p. Firm initially at 38p, **Bamfords** softened to close only a penny dearer on balance at 36p following the annual results.

Interest in Foods centred mainly around selected secondary issues. Press comment aroused a fair trade in **Barker and Dobson**, which added 1¼ to 18½p, after 18½p. Speculative interest was again shown in **Avana**, 1½ better at 94½p, but fading bid hopes left **Spillers** 2 cheaper at 44½p; the latter's annual results are due tomorrow.

Dunbee-Comex fall

Adverse Press comment brought selling pressure to bear on **Dunbee-Combex-Marx** which fell to close 10½ down at 68p; **Lesney Products** cheapened 6 to 74p through nervous selling ahead of the results due on May 8. **Camrex** retreated from a higher early level of 56p to finish 2 lower on balance at 50p on the annual profits setback, but ahead of their respective preliminary statements due today and tomorrow, **Alpine Holdings** gained 5 to 120p, after 122p, and **E. Fogarty** advanced 10 to 260p. **European Ferries**, results due on May 8, continued firmly at 173p, up 4, and speculative buying in a thin market helped **Philip Harris** put on 6 to 156p. Still reflecting last weeks results and proposed 12-for-10 scrip-issue, **Leadenhall Sterling** improved 26½ to 180p xd, while **Howard Tenens** added 2½ to 39½p and **Brook Street Bureau** firmed 4 to 67p. The miscellaneous Industrial leaders failed to experience any follow-through *of last Friday's late support* and closed mixed. Reflecting business transacted late on that day, **Pilkington** opened higher and finished 14 better at 387p. **Unilever** hardened 6 to 620p and **Reckitt and Colman** put on 7 to 475p, but **Turner and Newall** relinquished 3 to 162p xd.

Adverse Press comment clipped 3 from **Ladbroke** at 221p and 4½ from **Coral Leisure** at 114p xd, but bid suggestions lifted provincial casino concern, **Dolosweila**, 3 to 32p, after 34p.

Following Friday's disappointing results from BSG, Ford dealers came under pressure. **F. G. Gates** fell 5 to 67p, **Hanger** gave up 7 to 68p and **Tate of Leeds** slipped 4 to 106p. **Appleyard** eased 3 to 100p, but in anticipation of good figures today, **Harold Perry** rose 6 to 176p. Among Components, **Jonas Woodhead** firmed 3 to 95p.

Newspapers traded quietly with scant alteration to pre-weekend price levels, although **Portsmouth and Sunderland** firmed 2 at 110p. **Printers Wace** rose to 112p before settling with a gain of 4 at 110 following favourable Press comment.

Hopes that development restrictions might be lifted by a Conservative administration prompted a reasonable demand for Properties with **Land Securities** improving 6 to 300p and **MEPC** 5 to 184p. **Great Portland Estates** put on 8 to 290p and **Capital and Counties** hardened 1½ to 85½p, while **British Land** firmed a penny to 77p. **M. P. Kent** met with increased support at 68p xd, up 2½, and, among smaller-priced issues, fresh speculative interest lifted **Regalian** 3 to 24p and **McInerney** 5 to 35p. **Slough Estates** were quoted at 174p ex rights to the 8 per cent Convertible 1991-94 issue; the nil-paid latter attracted a reasonable turnover and, from an opening level of £13 premium, steadily improved to touch £16 premium before the close of £15½ premium.

Leading Oils made further progress in a diminishing trade. **British Petroleum** improved 10 to 1,200p and **Shell** rose 7 to 764p. Elsewhere, **Oil Exploration** added 8½ at 258p xd, but **Tricentrol** eased 4 to 230 xd and **Siebens (UK)** 8 to 242p.

Sime Darby eased a penny to 88p being little influenced by the proposed change of domicile to Malaysia. **Tozer Kemsley** hardened a like amount to 56p awaiting today's annual results. **Steel Brothers** recovered Friday's fall of 3, which followed the profits downturn, to finish at 190p.

Weekend Press comment highlighting the propect of further bid developments in the sector *left Trusts in a confident mood.* **Debenture Corp.** firmed 2 to 93p following the expected opposition to *the bid from the Airways* Pension Scheme, while favourable mention left **River and Mercantile**, 217p, and **Philip Hill**, 218p, 3 and 5 better respectively. Other notable gains included **New Throgmorton Capital**, 8 up at 212p, and **Triplevest Capital**, 7 higher at 195p. Dealings in **Reabrook** were suspended at 53p because the company is negotiating a posible acquisition. Firm on Friday, **Caledonia** added 3 more for a two-day rise of 11 at 301p.

Common Brothers advanced 3 to 235p on its strong defence to the offer from **British and Commonwealth**, which closed 8 to the good at 354p. **Furness Withy** were also in demand and ended 9 better at 253p.

Textiles saw little of note apart from selective interest in secondary counters. **Tricoville**, 82p, and **Parkland A**, 83p firmed 3 apiece, while **Corah** added 2 to 40½p, the last-named after comment on the annual report.

RTZ touch 1979 high

Mining markets began the week in subdued fashion. In London-registered Financials **Rio Tinto-Zinc**, which topped our list of active stocks, touched a 1979 high of 330p before easing to close 4 up on balance at 328p following favourable week-end Press mention, while **Gold Fields** also attracted a fair amount of buying interest to show a similar gain at 237p, after a high of 238p.

The firmer investment premium was responsible for minor improvements in South African Golds where trading remained quiet.

The Gold Mines index put on 1.5 to 141.6 while the ex-premium index was 0.2 up at 114.7.

Platinums edged higher following modest Johannesburg interest which left **Rustenburg** and **Impala** 2 better at 125p and 178p respectively. **Lydenburg** added 3 at 83p.

American interest lifted **Minorco** 7 to 198p while elsewhere in Coppers **Mesina** added 3 at 95p reflecting Johannesburg buying prompted by vague bid rumours.

Australians staged a modest rally owing to the rise in the premium and small London buying despite the further weakness in overnight Sydney and Melbourne markets.

Among base-metal producers **MIM Holdings** and **BH South** were 4 firmer at 210p and 85p respectively. In the diamond exploration issues **Samantha**, 35p, and **Spargos Exploration** both showed improvements of around 3.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1050	222	2	242	-	—	-	1196p
BP	1100	182	2	200	-	243	—	"
BP	1150	140	..	164	26	170	—	"
BP	1500	45	14	80	..	—	—	"
Com. Union	160	31	12	33	..	38	—	179p
Com. Union	180	18	12	22	16	24	—	"
Cons. Gold	200	45	28	65	-	—	—	237p
Cons. Gold	220	29	20	42	-	49	—	"
Cons. Gold	240	17	56	29	—	39	—	"
Courtaulds	100	15	15	17	-	20	—	107p
Courtaulds	110	9	67	13½	-	15	—	"
Courtaulds	120	5	37	7½	6	—	—	"
Courtaulds	130	3	7	—	—	—	—	"
GEC	390	62	12	77	..	96	—	420p
GEC	420	42	21	58	..	75	5	"
Grand Met.	130	49	17	51	-		..	170p
Grand Met.	140	39	1	42		—	—	"
Grand Met.	160	28½	11	33½	1	34½	2	"
Grand Met.	180	16	35	20	..	24½	10	"
ICI	390	35	26	46		54	..	401p
ICI	420	18	4	27	1	38	—	"
Land Secs	280	37	1	48	5	59	—	299p
Land Secs	300	24	62	35	—	47	—	"
Marks & Sp.	80	52	—	54	1	..	—	126p
Marks & Sp.	90	42	37	44	..	..	—	"
Marks & Sp.	100	34	14	[illegible]	—	—	—	"
Marks & Sp.	110	26	54	30	—	37	—	"
Marks & Sp.	120	19	74	23	..	29	4	"
Marks & Sp.	130	13½	96	19	6	23	—	"
Shell	550	250	16	-	.	..	—	762p
Shell	700	110	15	138	—	160	—	"
Shell	750	66	9	92	20	133	—	"
Shell	800	37	28	62		..	..	"
Total			774		81		11	
		May		**August**		**November**		
BOC Intl.	60	18	..	20	2	..	..	74p
BOC Intl.	80	4½	5	6	8	8½	..	"
Boots	200	56	..	43	4	55	—	251p
Boots	240	8½	30	17	—	22	1	"
Boots	280	4	10	-	..	—	..	"
EMI	110	24	15	32	—	37	—	132p
EMI	130	10	2	19	1	26	—	"
EMI	140	6	25	13	2	20	—	"
EMI	160	1½	—	5	3	..	..	"
Imperial GP	100	10	—	15	10	16½	10	104p
Imperial GP	110	4½	12	9½	20	11	13	"
RTZ	260	69	—	83	4	..	—	328p
RTZ	300	29	14	53	1	76	—	"
RTZ	330	17	66	40	36	65	—	"
Totals			167		91		24	

FINANCIAL TIMES STOCK INDICES

	April 23	April 20	April 19	April 18	April 17	April 18	A year ago
Government Secs.	74.70	74.68	74.54	74.92	75.66	75.84	71.88
Fixed Interest	76.76	76.85	76.72	77.00	77.34	77.25	75.06
Industrial	536.0	538.7	530.2	534.4	538.9	541.9	460.4
Gold Mines	141.6	140.1	140.9	137.2	129.9	134.1	135.2
Gold Mines(Ex-$ pm)	114.7	114.5	116.2	112.1	105.7	108.4	95.7
Ord. Div. Yield	5.48	5.40	5.46	5.42	5.38	5.35	5.85
Earnings, Yld. % (full)	14.51	14.47	14.60	14.48	14.38	14.31	17.34
P/E Ratio (net) (*)	8.83	8.85	8.81	8.89	8.95	9.00	7.76
Dealings marked	5,043	4,182	4,341	3,929	4,115	4,399	4,382
Equity turnover £m.	—	115.03	103.24	78.42	63.16	136.45	54.15
Equity bargains total	—	11,784	16,282	14,924	15,090	25,181	12,632

10 am 536.8. 11 am 537.1. Noon 536.4. 1 pm 536.0.
2 pm 535.5. 3 pm 535.6.
Latest Index 01-246 8026.
*Nil 8.57.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	541.9 (12/4)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	126.6 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	April 23	April 20
—Daily		
Gilt Edged	89.1	90.9
Industrials	193.7	156.1
Speculative	40.3	30.8
Totals	114.8	95.2
5-d'y Av'r'ge		
Gilt Edged	98.9	99.9
Industrials	160.1	154.5
Speculative	33.1	31.1
Totals	98.4	95.4

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (200)

CORPORATION LOANS (1)
AMERICANS (1)
BANKS (7)
BEERS (2)
BUILDINGS (6)
CHEMICALS (2)
DRAPERY & STORES (8)
ELECTRICALS (8)
ENGINEERING (7)
FOODS (3)
HOTELS (2)
INDUSTRIALS (32)
INSURANCE (1)
LEISURE (2)
MOTORS (3)
NEWSPAPERS (1)
PAPER & PRINTING (7)
PROPERTY (12)
SHIPPING (3)
SHOES (1)
TEXTILES (5)
TRUSTS (82)
OILS (4)
OVERSEAS TRADERS (1)
MINES (2)

NEW LOWS (17)

FOREIGN BONDS (2)
Chin. 5pc '25 Boxer Japan 4pc '10 Ass.
AMERICANS (2)
Barnes Group Hutton (E. F.)
STORES (2)
Audiotronic Do. 12pc Ptg. Pf.
ENGINEERING (1)
Braithwaite
FOODS (1)
Bluebird Conf.
INDUSTRIALS (4)
Boot (H.) I.C. Industries
Dunbee-Combex Lesney Products
INSURANCE (1)
London United
LEISURE (2)
Black & Edgington Saga Holidays
PAPER (1)
Ogilvy & Mather
MINES (1)
Newmetal

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	48	8	27
Corpns. Dom. and Foreign Bonds	8	5	60
Industrials	454	181	779
Financial and Prop.	276	33	198
Oils	16	4	13
Plantation	12	3	17
Mines	78	14	48
Others	86	14	36
Totals	978	282	1,173

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 18	Apr 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service.

Calls were dealt in Marks and Spencer, Spillers, GEC, Western Mining, Grand Met., UDT, New Throgmorton Warrants, S. Leboff (Fobel), Lonrho, J. Bibby, Shell, Premier Oil, KCA, Hampton Trust, Britannia Arrow, Carless Capel, Maple, British Land, Albert Fisher, Christopher Moran, Carpets International, Fitch Lovell and Trafalgar House. Puts were completed in Associated Dairies, Thorn and Beecham, while doubles were arranged in Elsburg Gold, Home Charm and Burton Warrants.

ACTIVE STOCKS

Stock	Denomina-tion	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
RTZ	25p	13	328	+ 4	330	236
BP	£1	9	1,200	+10	1,206	882
Grand Met.	50p	9	171	—	171½	112
Shell Transport	25p	9	764	+ 7	778	556
GEC	25p	8	420	− 1	433	311
ICI	£1	8	402	—	406	346
Reckitt & Colman	50p	8	475	+ 7	526	445
Slough Ests. 8% Cnv. 1991-94	Nil/pd.	8	£15½pm	—	£15½	£13
BATs Defd.	25p	7	295	− 1	337	250
GUS A	25p	7	422	− 4	432	288
Ladbroke	10p	7	221	− 3	243	167
Marks & Spencer	25p	7	127	—	127	82
Royal Insurance	25p	7	435	+ 3	440	325
Royco	25p	7	62	+ 3	62	36
Spillers	25p	7	44½	− 2	49½	30½

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
195	F.P.	—	194	150	††Appl. Computer	163		0.7	11.0	0.6	20.0
65	F.P.	20/2	180	68	Caledonian Hldgs.	180	+5	k7.3	1.6	6.1	15.3
‡‡	F.P.	16/2	170	118	Hunting Assoc. Defd.	167	+2	—	—	—	—
‡‡	F.P.	9/2	44	31	M. Y. Dart Defd.	41	−2	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Am'unt Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
99¾	F.P.	—	99½	99¼	Cleveland (County of) Var. Rate 1984	99¼	.....
‡‡			53½	52¾	Eng. Assoc. Sterling Fd. Part. Red. Prf.	53⅛	+ ⅛
100	F.P.	4/5	106p	103p	Grant (James) 10¾% Pref.	104p	−1
20p	Nil	—	1½pm	1pm	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	1½pm	.....
96	£20	23/5	25	19½	ICFC 12½% Uns Ln 1992	24½	.....
‡	F.P.	27/7	102	99	Lee Valley Water 8% Red. Prf. 1986	102	.....
‡‡	—	11/5	106p	105p	Lyles (S.) 11% Cum. Pref.	106p	.....
72½	—	—	79	70½	MEPC 6½% Conv. Uns. Ln. 1995-2000	77½xd	.....
100	Nil	—	15½	13	Slough Ests. 8% Cnv. 1991-94	15½pm	.....
‡‡	F.P.	26/4	180p	106p	Tricoville 10¾% Pref.	106p	.....

"RIGHTS" OFFERS

Issue Price p	Am'unt Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing price p	+ or −
200c	Nil	—	—	10pm	4pm Abercom Invs.	7pm	.....
12	Nil	27/4	18/5	8½pm	4½pm Armour Trust	5½pm	−½
185	Nil	—	—	42pm	37pm Beatson Clark	37pm	.....
115	F.P.	30/3	20/4	160	147 Brammer (H.)	159	.....
60	F.P.	6/3	27/4	89	66 Burco Dean	82	.....
88	F.P.	30/3	27/4	117	97 Cement-Roadstone	103	+5
20	Nil	27/4	1/6	78½pm	72pm Crest Nicholson	75pm	+1
33	F.P.	22/3	4/5	48½	38 Hirst & Mallinson	47	.....
185	F.P.	23/3	18/5	235	210 Johnson Matthey	232	.....
5p	Nil	—	—	7pm	5pm Maddock	5pm	−1
54	F.P.	24/4	12/6	59pm	49pm Norfolk Cap. Hotels	54	+5
44	F.P.	19/4	31/5	74pm	69pm Park Place Invs.	69	.....
20	Nil	27/4	15/6	10pm	7½pm Singlo Holdings	10pm	+1½
100	Nil	27/4	18/5	20pm	16pm Unicorn Inds.	19pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ with warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity Groups & Sub-sections	Mon., April 23, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri. April 20 Index No.	Thurs. April 19 Index No.	Wed. April 18 Index No.	Tues. April 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	272.93	+0.3	15.34	5.05	8.74	272.24	270.34	272.54	274.60	200.65
2	Building Materials (27)	254.41	+1.0	15.62	5.27	8.50	251.93	254.21	256.39	258.49	178.98
3	Contracting, Construction (28)	419.78	+1.0	18.89	4.92	7.37	415.64	417.23	420.68	420.35	315.37
4	Electricals (14)	665.32	−0.1	11.73	2.87	11.67	665.92	652.97	656.40	666.81	419.96
5	Engineering Contractors (12)	403.36	+0.7	17.50	5.62	7.60	400.75	394.72	401.37	403.64	294.95
6	Mechanical Engineering (75)	201.58	−0.2	16.87	5.74	7.86	202.09	201.08	202.97	203.71	162.34
8	Metals and Metal Forming (16)	181.95	+0.4	16.68	8.53	7.37	181.19	179.36	180.74	181.15	161.41
11	CONSUMER GOODS (DURABLE) (53)	248.66	+0.5	14.24	4.38	9.36	247.51	246.75	249.04	250.31	186.03
12	Lt. Electronics, Radio, TV (16)	338.06	+0.7	11.21	3.13	12.62	335.80	334.47	337.99	340.74	218.95
13	Household Goods (12)	175.77	−0.1	16.05	6.79	8.19	175.98	175.81	176.14	177.08	167.92
14	Motors and Distributors (25)	127.84	+0.1	20.27	6.55	6.11	127.67	127.47	128.51	128.32	117.63
21	CONSUMER GOODS (NON-DURABLE) (170)	257.39	+0.1	13.90	5.11	9.34	257.15	253.27	255.23	256.75	197.35
22	Breweries (14)	290.59	+0.7	13.13	5.17	9.66	288.63	288.13	291.14	293.74	223.75
23	Wines and Spirits (6)	329.63	—	14.20	4.54	10.28	329.70	328.00	330.19	331.78	254.84
24	Entertainment, Catering (17)	358.00	−0.2	13.19	5.35	10.09	358.77	354.58	357.73	359.07	252.82
25	Food Manufacturing (19)	224.66	+0.4	17.36	5.00	7.39	223.82	220.48	223.80	224.61	187.93
26	Food Retailing (15)	308.11	+0.7	10.46	3.83	12.99	305.86	299.52	301.41	301.96	190.72
32	Newspapers, Publishing (12)	468.13	−0.6	19.86	5.47	7.14	470.79	465.19	465.54	465.67	358.78
33	Packaging and Paper (15)	148.35	+0.1	17.29	7.47	7.47	148.13	147.02	149.72	149.38	129.34
34	Stores (40)	262.46	−0.4	9.65	3.70	14.41	263.60	256.34	256.68	259.07	183.50
35	Textiles (23)	180.34	+0.3	18.08	8.43	7.15	179.76	177.86	178.27	179.58	171.52
36	Tobaccos (3)	271.60	+0.7	20.96	7.58	5.48	269.62	268.11	272.13	273.13	239.44
37	Toys and Games (6)	88.96	−5.7	24.94	7.38	4.73	94.30	94.20	96.08	96.83	96.63
41	OTHER GROUPS (99)	224.34	+0.2	14.10	5.71	8.81	223.85	221.73	222.88	223.36	182.98
42	Chemicals (18)	315.32	+0.1	15.90	6.24	7.36	315.05	310.78	312.19	312.15	248.73
43	Pharmaceutical Products (7)	264.22	+0.1	10.22	4.49	12.04	263.98	260.56	260.54	261.96	243.89
44	Office Equipment (6)	145.17	—	13.92	5.62	9.05	145.16	144.13	145.86	148.18	127.06
45	Shipping (10)	453.91	+0.3	9.23	6.70	15.56	452.61	444.69	444.55	442.27	411.42
46	Miscellaneous (58)	255.93	+0.4	15.45	5.75	8.41	254.81	254.06	256.14	256.35	193.62
49	INDUSTRIAL GROUP (494)	260.48	+0.2	14.34	5.18	9.06	259.98	257.16	259.05	260.45	200.37
51	Oils (6)	677.39	+0.8	11.65	3.21	9.13	671.69	660.29	662.96	668.26	456.41
59	500 SHARE INDEX	294.46	+0.3	13.88	4.85	9.07	293.57	290.09	292.06	293.76	221.71
61	FINANCIAL GROUP (115)	208.45	+0.6	—	4.96	—	207.16	204.84	205.74	206.67	160.41
62	Banks (6)	245.44	+0.4	27.19	4.93	4.74	244.46	241.96	242.96	244.98	192.13
63	Discount Houses (10)	260.96	−0.8	—	7.08	—	263.05	266.81	267.14	268.97	193.96
64	Hire Purchase (5)	199.94	+3.6	16.04	4.42	8.01	193.03	198.64	191.44	192.26	143.08
65	Insurance (Life) (10)	172.76	+0.2	—	6.15	—	172.47	170.66	171.80	172.50	129.55
66	Insurance (Composite) (8)	151.45	+0.5	—	6.22	—	150.75	146.96	147.32	147.27	124.86
67	Insurance Brokers (10)	321.66	+0.4	15.42	5.97	9.33	320.51	320.32	322.71	325.26	323.37
68	Merchant Banks (14)	99.09	+0.9	—	5.27	—	98.22	97.75	97.28	97.57	75.93
69	Property (42)	350.30	+1.4	3.15	2.38	50.11	345.38	343.45	345.88	348.18	215.43
70	Miscellaneous (10)	125.19	−0.8	18.01	6.63	6.91	126.21	126.51	126.17	125.14	105.82
71	Investment Trusts (111)	241.18	+1.1	—	4.59	—	238.48	238.57	238.97	236.80	198.70
81	Mining Finance (4)	137.65	+0.8	14.57	5.72	8.21	136.63	133.99	133.47	131.48	93.38
91	Overseas Traders (20)	364.39	+0.3	13.78	6.92	9.23	363.14	363.55	366.69	368.33	296.68
99	ALL-SHARE INDEX (750)	270.70	+0.4	—	4.91	—	269.58	266.64	268.21	269.37	205.42

FIXED INTEREST PRICE INDICES

	British Government	Mon., April 23	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	107.45	+0.01	—	3.01
2	5-15 years	121.89	+0.19	—	2.90
3	Over 15 years	127.66	+0.20	—	4.95
4	Irredeemables	140.11	—	—	1.78
5	All stocks	118.10	+0.12	—	3.66

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Mon., April 23	Fri., April 20	Year ago (approx.)
1	Low Coupons	5 years	9.35	9.34	8.35
2		15 years	10.23	10.25	10.70
3		25 years	10.80	10.83	11.21
4	Medium Coupons	5 years	10.93	10.93	10.45
5		15 years	11.54	11.56	11.98
6		25 years	11.67	11.70	12.16
7	High Coupons	5 years	11.29	11.30	10.83
8		15 years	11.91	11.94	12.55
9		25 years	11.96	11.98	12.79
10	Irredeemables		10.65	10.64	10.92

		Mon. April 23 Index No.	Yield %	Fri. April 20	Thurs. April 19	Wed April 18	Tues. April 17	Thurs. April 12	Wed. April 11	Tues. April 10	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	60.70	†12.24	60.66	60.81	60.90	60.56	60.73	59.81	59.78	58.54
16	Investment Trust Prefs. (15)	76.03	12.45	52.93	52.93	52.83	52.55	52.55	52.10	51.82	54.61
17	Coml. and Indl. Prefs. (20)	52.93	13.23	75.88	74.76	74.78	74.78	74.75	73.26	73.05	70.84

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. *Yields % (shown in last column allow for all buying expenses.* a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly...	22	....	—	—
40	39	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed.....	98	.....	—	13.10

BONDS & RAILS—Cont.

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
31	18	Chinese 4½pc 1898	29	....	—	—
35	27	Do. 5pc 1912	29	....	—	—
20	13½	Do. 5pc 1925 Boxer	13½	−½	—	—
430	415	German Yng. 4½pc.	430	......	4½	—
52	47	Greek 7pc Ass.....	47	....	3½	17.68
51	46	Do 6pc 28 Stab. Ass.	46	....	6	16.59
42	40	Do 4pc Mixed Ass ..	40	....	4	15.19
45	42	Hung. '24 Ass ...	44	+1	—	11.89
68	68	Iceland 6½pc '83-88	68	. ...	—	13.05
90½	78½	Ireland 7½pc '81-83.	88½	.. ..	7½	11.62
35½	69	Do 9¾pc '91-96 .	85	..	9¾	11.98
390	285	Japan 4pc '10 Ass	285	−5	—	—
72	65	Do 6pc '83-88 ...	72	+1	6.00	11.00
160	135	Peru Ass. 3pc	160	.....	3	1.87
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.67
S94½	S94½	Turin 9pc 1991 ...	S94½	...	9	9.53
DM91	DM91	Turin 6½pc 1984.	DM91	......	6½	8.45
97	95	Uruguay 3½pc.....	97	....	3½	3.80

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	9	......	—	—	—
171	128	Bougainvile 50 Toea	129	+1	Q15c	1.0	7.2
140	84	BH South 50c	88	+4	—	—	—
540	340	Central Pacific	500	......	—	—	—
318	220	Conzinc Riotinto 50c	228	+8	§Q10c	2.0	2.6
36	22	Cultus Pacific N.L.	22	......	—	—	—
21½	13½	Endeavour 20c	13½	–½	—	—	—
98	62	G.M. Kalgoorlie $1	62	......	—	—	—
42	26	Haoma Gold N.L.	27	+1	—	—	—
170	148	Hamptn Areas 5p	164	–3	♦t3.55	2.0	3.2
56	25	Metals Ex. 50c	52	–½	—	—	—
275	197	M.I.M. Hldgs. 50c	210	+4	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	38	Mount Lyell 25c	53	+1	—	—	—
44	17	Newmetal 20c	18	–2	—	—	—
141	100	North B. Hill50c	102	+2	†Q8c	1.3	4.5
22	11	Nth. Kalgurli	14	–½	—	—	—
40	22	Nth. West Mining	22	......	—	—	—
137	88	Oakbridge $A1	88	–3	Q12c	1.9	7.9
37	22	Oilmin N. L.	27	–2	—	—	—
120	58	Pacific Copper	87	–1	—	—	—
£10¾	625	Pancont'l 25c	675	......	—	—	—
25¼	17½	Paringa M&Ex.5p	18	......	—	—	—
510	330	Peko-Wallsend 50c	340	+2	Q15c	3.3	2.5
215	145	Southern Pacific	200	+10	—	—	—
188	139	Westn. Mining 50c	147	+3	†Q3c	0.7	1.2
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	29	......	2.81	1.3	14.4
435	315	Ayer Hitam $M1	315	......	Q300c	0.5	20.5
72	51	Beralt Tin	68	......	4.0	♦	8.8
270	200	Berjuntai $M1	215	+10	†Q110c	1.0	12.2
160	145	Geevor	160	+5	H5.57	5.8	5.2
10	8	Gold & Base 12½p	10	......	—	—	—
365	295	Gopeng Cons.	360xd	......	†18.0	1.4	7.5
360	295	Hongkong	360	......	12.5	2.8	5.2
70	64	Idris 10p	66xd	......	8.0	♦	18.1
14	9½	Jantar 12½p	14	......	—	—	—
80	66	Kamunting $M0.50	80	......	†Q12.5c	2.1	3.4
620	210	Killinghall $M1	335	......	—	—	—
465	365	Malay Dredging $M1	395	......	†175c	0.7	9.5
57	41	♠Pahang	42	+1	—	—	—
85	60	Pengkalen 10p	79xd	......	4.5	1.2	8.5
240	205	Petaling $M1	210	+5	Q120c	1.3	12.3
85	73	Saint Piran	77	+1	†2.03	6.5	3.9
58	53	South Crofty 10p	55	–1	†4.19	2.0	11.4
210	170	South Kinta $M0.50	190	+5	†sQ145c	0.6	16.4
405	285	Sthn Malayan $M1	350	+10	†Q190c	1.0	11.7
285	210	Sungei Besi $M1	255	......	mQ65c	5.3	5.5
75	52	Supreme Corp. $M1	52	......	ZQ10c	—	4.1
105	94	Tanjong 15p	100	......	6.60	0.8	9.8
265	205	Tronoh $M1	240	+5	‡Q88c	1.6	‡

COPPER

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
104	56	Messina R0.50	95	+3	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
74	54	Barymin	62	+1	—	—	—
13½	11	Burma Mines 17½p	11	......	—	—	—
345	170	Cons. Murch. 10c	260	+10	—	—	—
410	340	Northgate C$1	365	+5	—	—	—
330	226	R.T.Z.	328	+4	11.5	φ2.6	5.4
65	40	Sabina Inds. C$1	42	–1	—	—	—
880	687	Tara Exptn. $1	737	+50	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
$13¼	$10½	Buffels R1	$12⅝	–⅛	Q190c	♦	18.0
$11¼	890c	East Drie R1	$10	–⅛	Q115c	1.6	13.2
470c	350c	East Rand Prp. R1	415c	–5	Q10c	—	2.9
$24¼	$18¼	F.S. Geduld 50c	$22⅝	–⅛	†Q315c	2.4	16.3
$14¼	$11¼	Pres. Brand 50c	$13⅞	+⅛	†Q150c	3.2	12.7
$14¼	$10¼	St. Helena R1	$11⅝	+⅛	Q190c	1.4	18.8
595c	407c	Stilfontein 50c	550c	+5	Q66c	♦	13.8
$24¼	$18¼	Vaal Reefs 50c	$22⅞	+⅛	Q280c	2.7	14.1
$35¼	$28⅜	West Drie R1	$31¼	......	†Q385c	1.7	14.1
$29⅜	$22¼	West Hldgs. 50c	$29½	......	†Q415c	1.4	16.4
$13	$10⅜	Western Deep R2	$11⅛	–⅛	Q147½c	2.1	15.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † *Interim since increased or resumed.*
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv. 20p	27½	......	Sheff. Refrshmt	82	......
Ash Spinning	107	......	Sindall (Wm.)	142	......
Bertam	28	......			
Bdg'wtr. Est. 50p	400	......			
Clover Croft	28	......	**IRISH**		
Craig & Rose £1	£10⅞	......	Conv. 9% '80/82	£92½	......
Dyson (R. A.) A	35	......	Alliance Gas	106	+3
Ellis & McHdy	70	......	Arnott	385	–3
Evered	28xd	......	Carroll (P.J.)	105	......
Fife Forge	54	......	Clondalkin	85	......
Finlay Pkg. 5p	21xd	+1½	Concrete Prods.	90	......
Graig Ship. £1	180	+10	Heiton (Hldgs.)	62	......
Higsons Brew	85	......	Ins. Corp.	210xd	......
Holt (Jos) 25p	269xd	+2	Irish Ropes	105	......
I.O.M. Stm. £1	170	......	Jacob	38xd	......
Pearce (C. H.)	210	......	T.M.G.	240	–5
Peel Mills	30	......	Unidare	85	......

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	20	Unilever	55
A. Brew	7	"Imps"	9	U.D.T.	4
BOC Intl.	6	I.C.L.	40	Utd. Drapery	10
B.S.R.	8	Inveresk	7	Vickers	17
Babcock	14	KCA	4	Woolworths	6½
Barclays Bank	32	Ladbroke	18	**Property**	
Beecham	52	Legal & Gen.	14	Brit. Land	5
Blue Circle	18	Lex Service	9	Cap. Counties	7
Boots	18	Lloyds Bank	25	E.P.	3½
Bowaters	18	"Lofs"	5	Intreuropean	5
B.A.T.	28	London Brick	7	Land Secs.	20
Brown (J.)	50	Lonrho	9	MEPC	15
Burton 'A'	22	Lucas Inds.	25	Peachey	13
Cadburys	5	"Mams"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr	9	Town & City	2
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	28		
Eagle Star	10	Do. Warrants	15	Brit. Petroleum	70
E.M.I.	14	P & O Dfd.	8	Burmah Oil	11
Gen. Accident	21	Plessey	10	Charterhall	3½
Gen. Electric	32	R.H.M.	5	Shell	48
Glaxo	50	Rank Org.	25	Ultramar	24
Grand Met.	12	Reed Intnl.	16		
G.U.S. 'A'	30	Spillers	5½	**Mines**	
Guardian	24	Tesco	6		
G.K.N.	24	Thorn	22	Charter Cons.	16
Hawker Sidd	22	Trust Houses	27	Cons. Gold	17
House of Fraser	15	Tube Invest.	30	Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday April 24 1979

Premier's Liberal opponent withdraws

By Robin Reeves, Welsh Correspondent

MR. JAMES CALLAGHAN'S constituency of Cardiff South East was yesterday made far less safe for the Prime Minister by a Liberal withdrawal from the contest and a decision by the local Liberal party to back the Tory candidate.

The Liberal withdrawal was ostensibly accidental. The prospective candidate, Mr. Christopher Bailey, head of the Cardiff based Bristol Channel Ship Repairers, arrived at Cardiff City Hall five minutes too late to meet the deadline for handing in nomination papers.

But in a carefully prepared statement, Mr. Bailey said he would be urging all Liberal supporters to vote for Mr. Alun Jones, the Conservative, in order to secure an MP who carred for the constituency.

In October 1974, Mr. Bailey secured 8,006 votes against 21,074 for Mr. Callaghan and 10,356 for the Conservative. If all the Liberal votes were transferred to Mr. Jones, an anti-Labour swing of 5 per cent would be enough to unseat the Prime Minister.

In all, there are five candidates in Cardiff South-East; also standing are Plaid Cymru and Nation Front candidates, as well as Miss Pat Arrowsmith, the veteran nuclear disarmament campaigner.

Mr. Bailey, who achieved considerable publicity during his fight to prevent his company being nationalised with other sections of the shipbuilding industry, accused Mr. Callaghan of being too busy to look after the interests of his constituency. "You only have to look around Cardiff South East to realise what Jim Callaghan has not done," he said. The area would be better off with Mr. Jones as its MP.

The local Liberal Party said it had interview dMr. Jones, a 41-year-old solicitor, and was "satisfied he is a man with progressive ideas who shares many of our Liberal beliefs on such matters as industrial democracy and consultation with the unions rather than confrontation."

Mr. Jones, who had signed Mr. Bailey's election address, whic hincluded the need for proportional representation in general elections, had, the party claimed, promised to kee pthe Cardiff South East Liberal Association informed and generally consult with it. "He has also agreed to give his support for other such pacts in Labour-held seats."

The Lib-Con pact in Mr. Callaghan's constituency was swiftly disowned by the national Welsh Liberal Party.

Weather

UK TODAY

SHOWERS IN most places, frequent and heavy at times, but with some sunny intervals.

London, S.E. England, Midlands and Channel Islands
Outbreaks of rain, with bright intervals, rather cold.

E. Anglia, E. England, Cent. N. England, N.E. England
Mostly cloudy with outbreaks of rain.

S.W. England, S. Wales
Heavy showers and sunny intervals.

N. Wales, N.W. England, Lakes, IoM, S.W. Scotland, N.W. Scotland, Argyll, N. Ireland
Heavy showers and gales on coasts.

Borders, Edinburgh, N.E. Scotland, Highlands
Cloudy with rain at times.

Outlook: Sunny intervals and showers in most parts.

WORLDWIDE

		Y'day midday °C	°F
Ajaccio	C	16	61
Algiers	S	25	77
Amsdm.	C	12	54
Athens	C	15	59
Bahrain	S	35	95
Barclna.	F	18	64
Belfast	C	12	54
Belgrd.	S	17	63
Berlin	C	10	50
Biarritz	R	14	57
Bmghm.	C	10	50
Blackp'l	C	10	50
Bordx.	R	12	54
Boulgn.	C	9	48
Bristol	F	11	52
Brussels	C	12	54
Budpst.	F	17	63
B. Aires	S	20	69
Cairo	S	24	75
Cardiff	F	11	52
Cas'b'ca	C	19	66
Cape T.	S	20	68
Chicago	C	18	65
Cologne	C	14	57
Corfu	F	16	61
Dublin	R	11	52
Dbrvnk.	S	15	59
Ednbgh.	C	13	55
Faro	S	23	73
Florence	C	17	63
Frankf't	C	14	57
Funchal	S	17	63
Geneva	R	11	52
Gibrltr.	S	26	79
Glasgow	C	9	48
G'nsey	C	10	50
Helsinki	S	7	43
H. Kong	S	25	77
Innsbr'k	F	14	57
Invnss.	R	6	43
I.o.Man	S	10	50
Istanbul	F	12	54
Jersey	R	10	50
Jo'burg	C	23	74
L. Plms.	S	20	68
Lisbon	F	15	59

		Y'day midday °C	°F
Locarno	R	9	48
London	R	12	54
Luxmbg.	R	10	50
Luxor	S	31	88
Madrid	S	20	68
Majorca	S	20	68
Malaga	S	23	73
Malta	F	17	63
Mchstr.	C	9	48
Melbne.	C	17	63
Milan	C	13	55
M'ntreal	S	16	61
Moscow	C	6	43
Munich	R	10	50
Nairobi	S	25	76
Naples	C	16	61
Nwcstl.	F	11	52
N. York	S	21	70
Nice	F	16	61
Nicosia	S	19	66
Oporto	C	14	57
Oslo	C	5	41
Paris	F	14	57
Perth	C	21	70
Prague	R	9	48
Reykjvk.	C	7	45
Rhodes	S	17	63
Rio J'o	S	26	78
Rome	S	18	64
Salzb'rg	F	15	59
Singapr.	C	27	81
Stckhm.	C	6	43
Strasb'g	C	13	55
Sydney	R	14	57
Tangier	S	20	68
Tehran	S	21	70
Tel Aviv	S	20	68
Tenerife	S	23	73
Tokyo	C	21	70
Toronto	S	12	54
Tunis	C	17	63
Valencia	S	27	81
Venice	C	15	59
Vienna	F	20	68
Warsaw	C	14	57
Zurich	C	11	52

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Union leaders attack Tories

BY ALAN PIKE AND CHRISTIAN TYLER

MR. TOM JACKSON, the moderate leader of the postmen and this year's TUC chairman, said yesterday that the alternative to Labour was "the most extremist, most reactionary government since the war" formed by a party looking for votes by seeking to take on the unions.

At the same time, Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, told the national committee of the union's engineering section which opened yesterday that statements by some leading Conservatives indicated that they still wanted confrontation.

Mr. Jackson was speaking to the Scottish TUC in Inverness and challenging the Tories to specify the cost of their promised income tax cuts, he said: "The nation needs more than a few tax handouts to win through.

"We need trade union and Government co-operation if we are to achieve that, and the Conservatives have virtually made it impossible by launching their election campaign with a misleading and dishonest attack upon the trade union movement."

Threats of new laws were distracting and discouraging the unions from carrying out their "typical function," which was to keep the peace. "Our daily job is not industrial warfare, it is industrial welfare," Mr. Jackson said.

Mr. Duffy used his presidential address to deliver a powerful appeal to his members for their "active support" to return a Labour government.

"We have not forgotten the three day week nor the bitter years when laws detrimental to working people plunged the country into confrontation. Trade unions were attacked, funds confiscated and members imprisoned," he said.

During the years to which Mr. Duffey was referring the AUEW was probably the union most regularly involved in confrontation with Conservative policies.

Mr. Duffey accused the Conservative Party of consistently opposing "all forms of job creation measures and subsidies to industry which would preserve industrial capacity and jobs."

Should they be elected they would strip the National Enterprise Board of its powers and were committed to de-nationalising shipbuilding, aerospace and parts of other industries.

He went on: "Further, they advocate drastic cuts in public spending. This would not only create serious areas of increased unemployment but would also effectively reduce to a minimum social services which have been painstakingly built up over the years—and even now these resources are stretched. Such a prospect must be rejected by any thinking person."

Paul Taylor writes: Lord Denning has "made an ass of himself" over his comments about the unions being "almost above the law," Mr. Michael Foot, the Labour deputy leader said yesterday.

Lord Denning, Master of the Rolls, made his attack on union power in Canada on Friday.

However, Mr. Foot, interviewed on BBC Radio's World at One programme said that while Lord Denning was "sometimes a great judge" he sometimes "makes a great ass of himself."

Mr. Foot denied that the unions were above the law and accused Lord Denning of having a "deep animosity towards the trade unions without understanding "anything" about industrial life.

During the programme Mr. Foot insisted that it was only a Labour government which could meet the challenge of the modern technological society.

He said that a vote for Labour was a vote for an "increasingly socialist society" and an "increasingly democratic society."

Union conference reports, Page 12

BNOC makes pre-tax profit

BY SUE CAMERON

THE British National Oil Corporation made a pre-tax profit, the first in its three-year history, of £2.275m last year. But after writing-off interest brought forward, and deferred tax, there was a net loss of £3.042m.

Lord Kearton, chairman of BNOC, said in Glasgow yesterday that the corporation "was bound to be a loss-maker" in its early years because it had been set up at a time when interest rates were high.

Its operations had required heavy capital expenditure. He stressed that BNOC expected to make "an appreciable profit in 1979."

The corporation's annual report, published yesterday, said that its results "reflect the burden of the corporation's start-up costs, notably the acquisition premium paid in 1976 and the initial interest and financing cost caused by the absence of any equity."

The results also reflected cost of providing services and advice to the Government. It said that but for these costs, it was estimated that BNOC would have earned a net profit after tax of more than £3m.

The report puts write-off of interest and financing costs brought forward at £4.441m. The deferred taxation charge was £876,000.

"Profits in 1979 and in later years will continue to be reduced by these start-up burdens, particularly by the write-offs until 1982 of carried-forward interest and financing costs.

BNOC's sales last year were £431.827m, compared with £27.837m in 1977. Its operating profit rose from £4.767m in 1977 to £10.925m last year. In 1977 BNOC's loss before tax was £1.881m.

Lord Kearton accused the major oil companies yesterday of attacking North Sea taxation merely to "protect the enormous profits" they made from some big fields.

The yields from fields like the Forties were "so enormous that it would be astonishing if the multinational companies did not try to avoid tax on them," he said in Glasgow following the publication of the corporation's annual report. He added that the Government's total revenue from the North Sea up to the end of March this year through taxes and royalties was "far smaller" than had originally been expected.

Last week Shell claimed it would not be economic for the oil companies to develop the smaller North Sea fields unless the tax system were changed, and said the UK would cease to be self-sufficient in oil by the late 1980s if these fields were not developed.

Lord Kearton pointed out that British Petroleum's profit last year on the Forties was £1bn, but the company had paid only £180m in petroleum revenue tax. BP could, charge the whole cost of the Magnus Field against its Corporation Tax.

It was "quite legitimate" for the oil companies to try to cut their tax bills, but both the major political parties would be interested in whether the country should receive less revenue from the North Sea than originally expected.

Norway had had "a much greater tax yield from the North Sea" than the British Government. To March 1979 UK income from the North Sea was some £500m. About £250m of this was paid in royalties, £150m in petroleum revenue tax and the rest in Corporation Tax.

Lord Kearton hit out at claims that BNOC was in a privileged position.

The corporation's report said that BNOC needed to dispel "two common misconceptions." It was not correct that BNOC was in a privileged financial position; and even if it were liable to petroleum revenue tax—it is exempt at present—it would not be due to make payments until 1983.

The report adds that BNOC does not regulate North Sea development and production, and "cannot force decisions in its joint activities with private-sector companies."

Lord Kearton, stressing the importance of BNOC's role as an adviser to Government, said bluntly that "the oil companies don't like having an informed Government."

BNOC started trading in crude oil last year, Lord Kearton said that by March this year it was trading in 500,000 barrels a day.

Consumer spending recovers

BY DAVID FREUD

DOMESTIC demand appears to be picking up after the slowdown in the last three months of 1978.

In spite of the bad weather and industrial disputes of the winter, which probably contributed to a fall in the level of retail sales, total consumer spending rose in the first three months of the year.

The first preliminary estimate of the volume of spending for the first quarter, released yesterday by the Central Statistical Office, was only slightly below the peak recorded in the third quarter of 1978.

At 1975 prices, adjusted for seasonal factors, spending was estimated to have totalled £16.85bn in January-March, 0.6 per cent above the level in October-December, 1978. This was £8m below the record figure for July-September, 1978.

CONSUMERS' EXPENDITURE at 1975 prices

		£bn
1977	1st	15.619
	2nd	15.495
	3rd	15.777
	4th	15.841
1978	1st	16.296
	2nd	16.487
	3rd	16.858
	4th	16.756
1979	1st	16.850*

* First preliminary estimate.
Source: Central Statistical Office

The drop of 1½ per cent in retail sales, which accounts for about half of total spending, between the last two quarters implies a fairly substantial pick-up in the non-retail sector.

There are strong signs of the effect of a cold and miserable winter. Spending on fuel and lighting was up. A sharp increase in wine and spirits sales more than offset a drop in beer sales.

The expenditure upturn is in line with the improvement in average living standards, which were still rising strongly at the end of last year. By the final quarter of 1978 real disposable incomes were 10.9 per cent higher than in the early summer of 1977, when the squeeze on real incomes was at its tightest.

This tends to support recent predictions by some monetarist commentators, such as the London Business School, who have argued for a short-term upturn in both spending and output on the basis of rapidly expanding real money supply.

Egypt and IMF still deadlocked

BY ROGER MATTHEWS IN CAIRO

EGYPT AND the International Monetary Fund are still deadlocked over the fate of a blocked three-year facility of $730m (£353m) which was agreed on last summer. Little progress towards resolving the issue was made during the most recent mission to Cairo by senior officials of the funds—the third in six months.

Senior Egyptian officials hope that political pressure, particularly from the U.S., will result in the softening of the IMF's terms and the subsequent release of the second and third tranches which it has been unable to draw. The main argument centres on the fund's belief that the Egyptian Government has seriously breached several of the budgetary ceilings to which it agreed in the letter of intent and that this could have a severe inflationary impact in the coming months.

With the Arab boycott of Egypt gaining some impetus from Kuwait's decision to sever all economic, political and diplomatic ties, and President Sadat pushing for $15bn in Western aid and investment, the Government in Cairo would obviously be loath to lose the international seal of approval provided by a successfully managed IMF agreement.

In the short term Egypt appears in no desperate need for the IMF drawings. This is due mainly to the buoyancy of workers' remittances, increased oil earnings and receipts from the Suez Canal and tourism.

One senior Egyptian banker commented: "At the moment we are relatively well off for foreign currency and there is no immediate possibility of another 1977-style payments crisis developing. However, we cannot be sure exactly what impact the Arab boycott will have and the extent to which world prices will move against us. If these factors moved sharply against us in the second half of the year we might begin to feel the pinch in the early months of 1980."

President Sadat is known to feel the necessity of showing some fairly swift improvement in economic conditions.

Windscale leak: health risk 'large'

By Roy Hodson

TEN CUBIC yards of radioactive liquid has escaped in the Windscale nuclear installation leak, contaminating several hundred cubic yards of soil around the storage building at the plant.

Although the level of radioactivity of the leaked liquid is only about 1 per cent of that in the stainless steel storage tanks inside the building, the Department of Energy pointed out last night that the health risks "are still very large."

The new figures about the extent and the toxicity of the leak have been published on the instructions of Mr. Anthony Wedgwood Benn, the Energy Secretary, in reply to questions put by the pressure group Friends of the Earth.

Mr. Benn quotes answers supplied by the Nuclear Installations Inspectorate. Surveys of the ground show that the radioactivity has travelled along the east side of the storage building at a depth of 3 yards in the soil.

The bulk of the activity is within a few yards of the building. Investigations are continuing to determine the limits precisely.

British Nuclear Fuels estimates that 10 cubic yards of the liquid escaped and the activity found is said to consist of caesium, strontium, cerium and ruthenium.

The level of the radioactivity is said to total tens of thousands of curies. The volume of the soil affected is not yet known precisely but appears to be several hundred cubic yards.

Further investigations are being made to find how and when the leak began, whether it might have been detected sooner, the path that the liquid followed in its escape, and whether the local flow of ground water has been affected.

Measures for dealing with activity in the contaminated soil are being considered by the nuclear inspectorate and British Nuclear Fuels.

Meanwhile, the regular programme of sampling boreholes on the Windscale site perimeter shows no increase in radio activity escaping from the site and work is proceeding normally.

Soviet Union admits nuclear accidents Page 2

Continued from Page 1

Healey promise on income tax

campaigning, it is up to Mr. Callaghan to make the running to ensure Labour gets its vote out.

Conservative leaders are more than happy at the way their campaign has gone so far, and see no reason why any great electoral initiative needs to come from Mrs. Thatcher.

Their belief is that provided there are no major gaffes, the present lead in the opinion polls and in Central Office private polls should be sufficient to see an overall Conservative majority after May 3.

Mrs. Thatcher sought to meet any Labour challenge at her morning Press conference, and in a speech in Darlington last night when she accused Labour leaders of deliberate scaremongering by stressing the horrors that Tory policies would bring.

Mr. Callaghan, speaking in south-west London, focused his main attack on Tory proposals to devalue the EEC green pound, which he claimed would be "foolish, costly and unnecessary."

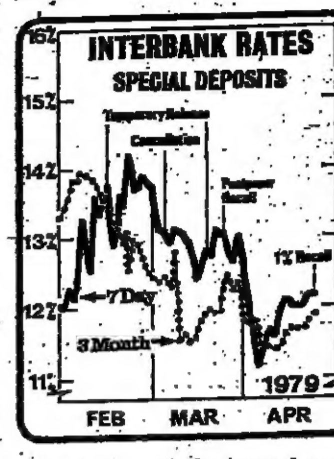
In his view the Tories would let the European agricultural lobby walk all over them.

● Nominations for candidates in the general election closed last night, with the prospect that there will be a higher number standing than in any election since the war.

THE LEX COLUMN

Chilly spring for the unit trusts

Index fell 2.7 to 536.0



Sizeable official disbursements to the local authorities helped offset the £450m drained out of the financial system yesterday, following the first recall of special deposits. Over the next fortnight the second tranche falls due plus the final call on Exchequer 12¾ per cent 1999. Together these will net £900m, so money market conditions are going to remain tight.

Unit trusts

There was a time when a development such as the net repurchase of £2.3m of unit trusts in March would have sent a tremor through the whole stock market. But there are two reasons why this did not happen on yesterday's news. The first is that the explanation is largely technical, hingeing on the change in capital gains tax allowances at the end of the tax year. This gave an incentive to anybody intending to sell in the near future to act before April 5. In addition, unit trust managers say that all the publicity about bed-and-breakfast deals reminded some of their sleepy unitholders that they had assets which they could actually sell at a profit—and they forgot about the breakfast part. For many people it was a chance to get out at the price they paid years ago.

The other reason why no one became too excited about yesterday's news is that unit trusts are not nearly such an important force in the stock market as they used to be. In 1977 their net purchases of UK equities amounted to £123m, compared with £190m in 1968. Over the same period the insurance companies' net investment rose from £224m to £576m, while pension fund investment exploded from £227m to nearly £1,500m. Unless the tax system changes, it may not be another 18 years before we see another month of net outflow for the unit trust movement.

BL

To judge by its balance-sheet, the continuing injections of taxpayers' equity should carry BL with reasonable comfort through the next couple of years. But there are still formidable financial hurdles to overcome. BL continues to operate a lot of ancient plant—£382m of fully depreciated plant is still in use—and capital spending at current prices is likely to continue at more than £300m a year (8 per cent of sales) for some time to come. There ought to be scope for improving the working capital ratios, since inventories are only turned over three times a year. Yet inflation is still going to suck sizeable lumps of cash into a net working capital figures which currently stands at £778m.

To finance all this, BL has a further £375m of public funds to draw down under the Ryder plan, of which £150m comes through this year. So internal cash flow, which only amounted to about £50m in each of the last two years, will have to rise dramatically if the objective of becoming a self-sustaining business by the early 1980s is to be met. Last year, BL returned about 6 per cent before interest on capital employed of some £1½bn, and its plans call for a rise to at least 10 per cent by 1981. The sums just about add up — but the margin for error is tiny.

BL has shed a lot of unprofitable assets in the last couple of years, and the emphasis of its business is shifting towards higher return areas: capital spending on commercial vehicles and Jaguar Rover Triumph last year amounted to £108m, against £77m for Austin Morris. It still needs much higher productivity. And although the group is unlikely to present any immediate financial problems for the next Government, some big political decisions will still have to be made about BL in the next five years unless all goes according to plan.

EPC stalemate

Certain pension funds led by the Electricity Supply Industry Superannuation Scheme yesterday caused Olympia and York, Canadian buyers of English Property Corporation, to contribute an unnecessary £500,000 or so to the Inland Revenue. Such is the fate of those who dare to stand up to the might of the institutions on a vital question like the prices to be paid for some £15m nominal of 12 per cent Convertible loan stock.

Unhappy at the offer of 98, and claiming that the stock was worth more like 120, a group of institutions told Olympia and York that unless the offer was raised they would veto the proposals for a tax-saving scrip issue in connection with the offer for EPC ordinary. But their bluff has been called. The funds duly blocked the tax scheme yesterday, but have now voted themselves into a minority position in a company which no longer has an equity listing and whose foreign owners must, to say the least, be annoyed.

Here is a glimpse of institutional power, but for what purpose? So long as the big funds are only prepared to stand up and be counted on this kind of footling issue, but disappear back into the herd when major industrial or economic questions have to be decided, then serious doubts must be cast on their potential role as a major influence on the management of the companies they invest in.

Rugby Portland

Rugby Portland Cement's 1978 pre-tax profits are just 5 per cent higher at £14.5m which left the stock market mildly disappointed. However, compared with its large rival, Blue Circle, Rugby's performance still looks superior—especially in the domestic market.

Rugby's UK trading profits are 27 per cent higher and margins have improved. Domestic cement deliveries rose by 7½ per cent, compared with 3 per cent for the industry generally, and Rugby continues to increase its market share. However, heavy capital spending has reduced the group's liquidity and knocked close to £1m off net interest income. In addition, adverse currency movements hit the Australian contribution from Cockburn Cement—the group's main overseas subsidiary.

In the current year there is scope for improvement in the Australian cement market but here in Britain Rugby, in common with all building material producers, has been badly affected by the dismal weather conditions in the opening months.

At least, it has been able to get its price increases past the Price Commission. The latter is due to report on Rugby today

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